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# USSR Report

CONSUMER GOODS AND DOMESTIC TRADE

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16 January 1986

## USSR REPORT

### CONSUMER GOODS AND DOMESTIC TRADE

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### AzSSR GOSPLAN CHIEF ON MINIMIZING WASTE IN PRODUCTION

Moscow KOMMERCHESKIY VESTNIK in Russian No 16, Aug 85 pp 2-4

[Article by Ayaz Niyazovich Mutalibov, deputy chairman of the AzSSR Council of Ministers and chairman of the republic Gosplan: "The Effect of Waste-Free Technology"]

[Text] It was pointed out at the April 1985 Plenum of the CPSU Central Committee that there is a great deal to be done to satisfy the demand for needed consumer goods. The role of the soviets of people's deputies has increased markedly in this respect. Their initiative will determine in great part whether we make more extensive use of all local resources.

A search is now underway for more effective regulation of the waste-free technology. Ayaz Niyazovich Mutalibov, deputy chairman of the AzSSR and chairman of the republic Gosplan, tells about the specific ways in which this work is being performed.

I shall begin with economic prose, with some figures. More than 400 kinds of consumer goods are produced from production by-products and local raw materials in Azerbaijan. The output has grown more than 5-fold during the first 4 years of the five-year plan.

Before launching the planned offensive, if I may, against production by-products and untapped sources of raw materials, we made a thorough study of the situation. Workers at the Scientific Research Institute of Scientific and Technical Information, Technical and Economic Studies of the republic's Gosplan made a detailed and comprehensive study and determined what basic materials could be used for what purposes.

The construction of a decorative tile plant in the Nakhichevan ASSR and organization of the production of cleaning agents with a volcanic ash and pumice base are examples of the successful adoption of new technological processes for processing mineral raw materials. And workers with the Special Design Bureau of the Ministry of Local Industry, together with workers in the technical services of Sumgait chemical plants and Kiev scientists, have developed a

technology for obtaining synthetic drying oils and paint from propylene oxide by-products. These by-products were previously dumped and became a source of environmental pollution. When the new technology is mastered it is planned to utilize around 500 tons of propylene oxide waste each year for the production of synthetic drying oils at the Sumgait industrial combine, thereby reducing the amount of harmful substances discharged into the air.

The Ministry of Local Industry is also taking steps to set up production facilities for recycling secondary polymer raw materials, for the production of nonwoven textiles and the production of consumer goods out of leather splits, substandard leather goods and sheepskin. We are also developing our own raw materials base of nonmetallic and plant raw materials. As a result, the output of products made of local raw materials at enterprises of republic ministries and departments alone amounted to 89.3 million rubles during the first 4 years of the 11th Five-Year Plan. This included 33.7 million rubles worth in 1984, compared with 6.6 million in 1980.

There was some improvement in work on using local raw materials and by-products in the republic consumer cooperative system as well. The volume of production in the republic consumer union system grew from 67,000 rubles to 2.5 million rubles from 1980 to 1984. New goods began to be produced from the by-products of plastics, polyvinyl chloride, artificial and substandard leather. By the end of the 12th Five-Year Plan the volume of production from by-products with the cooperative's stamp will reach 6 million rubles.

The thrifty handling of what was once dumped or at best turned over to Vtorsyrye [Producers' Union for the Procurement and Processing of Secondary Raw Materials ] has also made it possible to set up the production of many scarce goods frequently brought in from other areas of the nation. These include sugar bowls, breadboxes, spice sets, hangers, various fasteners, bowls, clothespins, matchboxes, drain screens and haberdashery items made of waste plastic, dustpans, spoons, sets of items for plant care, mustard spoons, cookie molds and clothes stretchers made of waste metal.

The range of items made of by-products from the household chemistry industry has been expanded. Polyvinylchloride and rubber by-products are used for producing linoleum, mudguards and mats for passenger cars, expanders and rubber roofing tiles. The production of simple household "trifles" made of waste lumber has been mastered, and the products are being delivered to market. The demand for all of these goods had been totally satisfied by the beginning of 1985, and they are no longer being brought into the republic from outside.

The portion of by-products being used in the textile, chemical, metalworking, machine building, woodworking, petroleum, meat and dairy, and canning industry has increased markedly. Enterprises of the Ministry of Local Industry are the main consumers of secondary materials, of course.

The importance of this branch was stressed once again in the 1985 decree of the CPSU Central Committee and the USSR Council of Ministers, "On Steps to Further Develop Local Industry During the Period 1986-1990 and up to the Year 2000."

I have to say that there is still a biased opinion that products of "small-scale industry" cannot compete with items produced by heavy industry enterprises. What can I say about this?

It would be best for me to cite a specific example. We have a production association of the Ministry of Local Industry, "Metallokultbyt," in Baku. Its main enterprise alone produces more than 100 different cultural, personal and household items. The Emblem of Quality has been conferred upon 14 of these.

More than half of its output is shipped outside the republic, and its baby carriages and cigarette lighters are exported to Hungary and Czechoslovakia. Metallokultbyt regularly renews its assortment of goods, making extensive use of the stock of models provided by the republic branch of Soyuzpromvnedreniye [Organization of Production of New Articles and Deliveries Administration ].

Unfortunately, these what I would call exemplary enterprises in local industry could be counted on the fingers of one hand. Why is this so? Why are so few following the lead of those out front? What difficult obstacles are preventing the lagging enterprises and particularly the "average" ones from rising to the level of Metallokultbyt?

I frequently think about this and I am becoming increasingly convinced that objective factors have a secondary role. It depends mainly upon the enterprise leaders, upon their public organizations, their ability to infuse the collective with vigor for performing the job, to motivate every individual to apply his abilities in the designated area. In short, it depends upon their ability to make effective use of the human factor.

All of the Metallokultbyt leaders possess these qualities in full measure. This is particularly true of E. Rasulov, the general director, who has gone from apprentice braiding machine operator to director of the enterprise. With the help of the party, trade union and Komsomol organizations he has succeeded in surrounding himself with a creative and energetic aktiv. And you see the results. Incidentally, when it was being decided in the republic where to set up the production of mechanical toys, children's motorscooters and colored glass using imported equipment and technology, everyone mentioned the Metallokultbyt association.

Many heavy industry enterprises have great possibilities for producing goods needed by the population out of by-products. Unfortunately, so-called "extra-line" goods are still being produced by fewer than half of group "A" enterprises.

Enterprises of the All-Union Soyuzneftemash Industrial Association have set a good example in utilizing possibilities--raw materials, production facilities and labor resources--for producing commodities. A shop has been set up at the Kishlinskiy Machine Building Plant for the production of 600,000 rubles worth of commodities annually. It has mastered the production of carts for use in orchards and gardens, wall shelves, bathroom hooks, napkin holders and other minor household items. The Machine Building Plant for the Petroleum Industry imeni Montin has converted and made use of spare foundry capacities for producing drain traps for bathrooms and a flatiron with detachable plastic handle. In 1985 this enterprise has begun providing the trade system with 685,000 rubles worth of goods annually. A consumer goods section has also been set up at the Machine Building Plant imeni V.I. Lenin.

There are still complaints about the machine builders for the petroleum industry, however, mainly with respect to the extremely limited range of items for the possessors of personal plots. Incidentally, this complaint could equally be made about many group "A" enterprises. The situation with respect



to the production of these products is extremely acute. It is calculated that the production of items for use in personal plots would have to be increased 8- to 10-fold in order to satisfy even minimal needs. This solution to the problem would make it possible to increase output in this sector of agriculture by 10-12 percent.

A significant portion of the cultural, personal and household goods is also produced by nine enterprises of the electrical equipment industry located in Azerbaijan. For example, Azerelektroterm, the leading production association in this branch, mastered the production of five new items in 1984 and 1985. The production of electric water heaters has begun under a license purchased from the Italian Merloni company. A special shop has been set up and imported equipment acquired for this purpose. Other enterprises of the electrical equipment industry are also moving in this direction, though not always willingly or with a view to current market requirements. The Azerelektroizolit plants, the experimental Elektroshtamp, the Bakkonditsioner Production Association, the Baku home air conditioner plants, Bakelektroavtomat and Elektrotsentrolit, for example, have begun providing the trade system with sheet iron, table knives, decorative tiles, stainless steel shampooers, garlic presses, screwdriver sets, electrical sockets, household basins, baby bathtubs, various hardware, extenders and splitters, temperature control devices, iron skillets and dumb-bells.

The Azerelektromash Production Association prepares thoroughly for the production of consumer goods. It mastered the production of five fairly complex items greatly needed by the market during the period 1983-1985. The Sabil fan was immediately in great demand. This product is on a level with world models. And all of this was because the association approached its development seriously and responsibly. An assignment for the development of a "family" of table, floor and wall-mounted fans was included in the project plan for AzNIETI [AzSSR Electrical Engineering Scientific Research Institute], which is performing this work in cooperation with the Yaroslavl specialists.

The group of construction items is one of the most popular with the republic's population. This is due to the dynamically growing rate at which buildings on personal plots and private homes are being built. The demand for these items is growing rapidly also among personal service organizations. This is due to the increased range of services provided for the repair of apartments, dacha buildings and homes of agricultural workers.

It should be stated that the supply of construction materials has improved markedly in recent years as a result of steps taken in the republic. The quantity and the range of items for sale are growing by the year. Sales of lumber and construction materials to the population increased more than 1.5-fold during the first 4 years.

Enterprises of the republic ministries of construction materials are the main suppliers of this group of goods. They placed production lines for carpeting (napped material) and decorative ceramic tiles (glazed tile and vitreous floor tile) decorated by silk-screening into operation during the period 1981-1983.

There are still many things to do in this area as well, however. Not enough packaged cement and lime or porcelain bathroom fixtures are being produced. Furthermore, the latter are not produced in complete sets and are not packed. It is difficult to buy teakettles, the native drinking cups, sugar bowls, glass carafes, glass jugs with lids in the republic's stores. There is a shortage of linoleum and window glass. In order to eliminate this shortage, a program has been worked out to the year 1990 for increasing consumer goods production at enterprises of the Ministry of Construction Materials Industry. Under this program, 29.3 million rubles worth of consumer goods (at retail prices) were produced in 1984. This was 14 percent above the planned figure. Production will be increased to 32 million rubles by the end of 1985.

We need to make one qualification when we speak of heavy industry enterprises mastering a "second field." Based on experience, I would say that there is no sense in forcing all of the heavy industry enterprises to produce consumer goods. Because of their specific production or organizational situation, it would be more expedient for some of them to provide other plants with by-products--properly preparing them and delivering them to the partners, of course. This should be considered as participating in the production of consumer goods. Otherwise, some enterprises produce just any old thing out of waste products, anything to have it shown on the records that they have set up consumer goods production. Perhaps it would be more expedient to turn over available raw materials to those who can make truly good products out of them.

Then there is the following matter. As a rule, assignments for the production of consumer goods are set for many Union enterprises in terms of value, without considering the population's needs for specific items and without providing the raw materials. As a result, there is frequently no demand for their products in the republic. At the same time, tens of millions of rubles worth of various household, cultural and personal items are hauled in from other areas of the nation each year. We took this step in the republic. We committed the Union enterprises to make up their assortment of consumer goods on the basis of orders from republic trade organizations.

It would also appear expedient to establish the procedure of setting up special-purpose funds in the republic budget for expanding the production of these items. This could be done by transferring 10 percent of above-plan profits gained by Union enterprises from the sale of consumer goods. Furthermore, we could designate a 15 percent transfer from actual profits from the sale of consumer goods produced of local raw materials. I believe that such steps would make it possible to improve trade in the so-called minor household and personal items.

Additional raw material reserves include salvage--that is, what the Vtorsyrye collecting stations collect. How can this source be used for producing commodities?

It should be mentioned that until recently the producers essentially ignored secondary raw materials. The purposeful and comprehensive "assimilation" of this source of materials was begun at the beginning of the 11th Five-Year Plan. All of these ministries and departments worked out steps for the period 1981-1985



to improve the work of revealing secondary resources, organizing their collection and using them efficiently for the production of consumer and industrial goods. An extensive range of consumers have become interested in secondary raw materials, and not just Vtorsk factories of the republic's Gosstap, as was previously the case. A certain amount of work has been accomplished under the five-year plan to establish quotas for the generation, collection, delivery and utilization of secondary resources, and their certification has been completed.

Implementation of the above measures has made it possible markedly to increase the procurement of secondary resources. Almost 70,000 tons of waste print, waste glass, worn-out tires and secondary polymer raw materials was procured in the republic in 1984. This was 50 percent more than in 1980.

Increasing the procurement of secondary resources is only part of the job, of course. The main thing is to increase their use for the production of consumer and industrial products. The portion utilized out of the quantity generated increased for many kinds of secondary resources in 1984 over the 1980 level: from 9 to 34.9 percent for waste print, from 22 to 75 percent for secondary textile materials, from 28 to 99 percent for waste glass, and from 11 to 85 percent for polymer raw materials.

More than 60 different items were produced out of secondary textile raw materials last year, compared with 14 in 1980. These include insulating mats for linoleum, non-woven materials, construction tow, recycled wool, industrial rags, pillow cases, velvet ribbons, certain simple sewn goods and haberdashery items.

Does it need to be demonstrated that not only is the recycling of secondary raw materials the most efficient way to utilize basic materials, but that it also opens up new possibilities for increasing consumer goods production. This is why we should spare neither effort nor funds to achieve it. Both will be repaid with interest. We must also organize the economic mechanism for this.

One of the serious problems is that of preparing secondary raw materials obtained from other branches of industry for further use. In Latvia, for example, the Ministry of Local Industry sets up shops specializing in the primary processing of waste metal and lumber. The "semifinished products" which they turn out go to other enterprises in the branch. The local industry workers cannot handle all of this work alone, however. It would be practical for the intermediate suppliers of the by-products themselves to perform the grading and the primary processing of certain types of raw materials. And this would require the close interaction of various branches.

Life inexorably gives us no choice but the orientation toward waste-free production, the recycling of raw materials and the use of local materials. This approach, a fact stressed once again at the April 1985 Plenum of the CPSU Central Committee, demands the efficient use of all materials, and strict conservation in the use of raw and processed materials, fuel, electric energy and labor.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### SHORTCOMINGS IN REFRIGERATOR MANUFACTURE DETAILED

Moscow KOMMERCHESKIY VESTNIK in Russian No 19, Oct 85 pp 8-9

[Article by V. Shcharenskiy, division chief, VNIITE [All-Union Scientific Research Institute for Engineering Esthetics], A. Melnikov, deputy director, Belorussian Branch, VNIITE, and M. Podolyak, branch division chief: "What A Refrigerator Should Be Like"]

[Text] The times have long since passed when household refrigerators were among the items in short supply. Today 91 out of 100 families possess them. Our demands are growing quickly as never before.

It was only a few years ago that customers were satisfied with refrigerators having a small low-temperature section with a temperature in it of only  $-6^{\circ}\text{C}$ , which does not allow products to be kept for more than two weeks.

But today they want to acquire the two-compartment Minsk-15 or Biryusa-18, with a spacious section providing the necessary temperature of  $-18^{\circ}\text{C}$  for preserving products for a long time. Consumers are making increased demands on the quality, convenience of use, improved functioning, and external appearance of the refrigerator sets.

To what degree do the models of the refrigerators now being produced meet these high requirements?

At the wholesale fairs in recent years trade has refused to purchase a significant number of sets from the industry. These are the models which, having ceased to be in demand, have sat around at the wholesale and retail enterprises in large amounts. And, at the same time, some models have been put on the list of those for which there is an acute shortage. Alas, this situation is no rarity today in the commodity market. Such a phenomenon has been caused primarily by the fact that, after the satisfaction of the initial demand, there was a sharp increase in the demands for better quality in the sets, particularly in their external appearance and convenience. Let's try to figure out just what has led to the disproportions in the market and how to find a way out of this situation.

Included in the production plan for 1985 were two models which came on line more than 10 years ago (the Nast KSh-200 and the Biryusa-6 KSh-280) as well as 13 models which came out more than 5 years ago (the Snayge-2 KS-120, the Kristall-4 ASH-120, the Kodry KSh-160, and others).

Last year certain changes occurred in the structure of the refrigerator assortment. Two single-compartment models with a capacity of as much as 100 cu. in. were produced, and their proportion within the total volume of production amounted to 2 percent. Eighteen models with capacities ranging from 120 to 180 cu. in. were produced (38 percent), 18 models--with capacities ranging from 200 to 240 cu. in. (30.9 percent), and 6 models with capacities ranging from 260 to 300 cu. in. (18.4 percent). The industry manufactures 7 models of double-compartment sets (7 percent of output) and 5 models of freezers (2.6 percent). Approximately 1 percent of output is accounted for by counter-type refrigerators and thermo-electric sets.

However, such a change in the structure of the assortment has not led to a tangible growth in the sales of refrigerator sets. Because, of course, the principal share of refrigerators being turned out comprise, as before, the single-chamber sets which are in decreased demand (89.3 percent).

The assortment lacks suspension-type sets, refrigerators built into furniture, chest-type freezers, sets without a low-temperature section which can be fitted out with freezers of the same height.

In our opinion, one of the basic shortcomings in the structure of the assortment of refrigerator sets is the de facto duplication by the manufacturers of the same models. The items differ from each other very insignificantly with regard to the level of convenience. There is a lack of highly convenient refrigerators with temperature indicators in the compartments, automatic control of the operational cycles, as well as other attachments and installations which have become widely disseminated in world practice.

Among the more than 60 models being turned out in our country, only five (the Minsk-15, Kristall-9, Smolensk-6, Biryusa-18, and Chinar-7) have automatic defrosting systems. The semi-automatic, natural defrosting of the evaporator, with which most of the models are furnished, merely complicates the servicing of the set, compelling the user to keep track of the process of the thawing "snow coat" in order to remove the melted water and the liquid parts of the products from the bottom of the section at the proper times. Furthermore, because of a lengthy thawing process, the upper layer of the products are also defrosted, and this leads to a deterioration of their quality.

About 60 percent of our single-compartment refrigerators have thermal insulation made of fiberglass. Use of this outmoded type of insulation considerably lowers the technical level of the sets, increases their weight and expenditure of electric power, decreases the coefficient of using the amount of instruments, and does not permit the providing of a temperature below  $-12^{\circ}\text{C}$ .

In addition to the unimproved thermal insulation, which makes it necessary to provide a greater rigidity to the construction of the all-welded exterior box, the increased material consumption of these items likewise depends on other factors. In particular, the design of suspension-type refrigerator sets has become outmoded, and the compressors are material-consuming. Steel sheet metal of increased thickness is used for manufacturing the refrigerator's exterior box. An excessive expenditure of plastic is permitted for the manufacture of the interior box. Imperfections in the design of the compressors constitute the principal cause of the high noise level in many models.



We must dwell particularly on the esthetic monotony of the refrigerator shapes, which has arisen because of the lack of designers at a number of enterprises, as well as because of the narrow assortment and the limited possibilities of using colored enamels for painting the exterior box, also the lack of colored plastics (UPS, ABS, MSN-P. and others). There is also a lack of PPSB film for laminating sheets made of polystyrene.

Of the colored plastics suitable for use in sets, only the brown range, including five tones, has been mastered for production. As was the case previously, we have not solved the problem of colored, transparent plastics, enriching the possibilities of seeking out expressive artistic solutions.

The lack of visual integration in the shape of the item, the diverse nature of the plastic processing the the molding parts (panels, doors, shelves, containers, and departments), the rather low level of decorative-graphic solution--these are the typical shortcomings.

The esthetic level of the shape is substantially worsened by the elements of construction (screws, capillary tubes), superfluous rigid fins in the vacuum-formed or metallic compartment, which visually breaks up the form of the compartment and the low-temperature section.

Constituting a difficult task for the developers is designing the refrigerator handle--an element on which the expressiveness of the set's external appearance depends to a large degree. At time they have found a solution to this problem by borrowing the handle's form and construction from the sets of other plants (frequently from the Minsk Refrigerator Plant). Such a practice is far from facilitating the creation of original items.

The compositional outline and plastic relief of the interior door panel are often not completely developed. The form of the guide-rails for the shelves of the interior box has a complicated profile, and this visually narrows down the space of the box. The narrow depths of the guide-rails complicate the hygienic processing of the compartment.

The production execution of the sample models is not always done satisfactorily. The rather low standards of production and the departures from technology have a negative effect on the quality. Shrink holes and deformations have been observed in the plastic cast parts misalignments and their imprecise junctures, increased radii in rounding off the fins of the exterior box and doors. In executing the graphic elements, as a rule, there is not enough precision in reproducing the assigned outline, nor an equal thickness in the lines of the type characters.

Improvement of the assortment and an upgrading of the quality of refrigeration equipment can be anticipated as a result of introducing the parametric series of refrigerators and freezers, as developed several years ago. It included models with raised technical, esthetic, and ergonomic levels, which created the prerequisites for producing in the country items which correspond to the best world models and, in certain cases, even surpassing them.

In particular, the design of the sets in this parametric series assumes the use of a two-evaporator (automatic) system of thawing in a cycle and foam polyurethane as thermal insulation; an increased volume for the low-temperature section (for single-compartment sets--40 cu. in.); the creation of a series of double-compartment refrigerators (the KShD 270/80, KShD 300/80; KShD 350/120, KShD 420/120, KShD 420/160) and freezers (the MS-120, MSh-160, MSh-200).

The parametric series guarantees the functional universality of the door panel (movable shelves and increased depth); a decreased expenditure of electric power (use of 701 coolant); a lessening of the weight by means of using thin sheet metal for the exterior box and foil-type cardboard for the rear wall; the use of panel construction for the box and colored plastics for finishing the compartment elements, as well as paints and varnishes for finishing the exterior surfaces of the box and door.

However, the introduction of such a necessary innovation has been inadmissably delayed. The initial deadlines were set for 1985-1986. Now this milestone for most of the models has been shifted to 1988-1990. That means that items developed during the 10th Five-Year Plan will be introduced at best at the end of the 12th Five-Year Plan.

The Ministry of the Chemical Industry, Ministry of Heavy and Transport Machine Building, Ministry of the Machine Tool and Tool Building Industry, and other ministries have not been able to provide the enterprises producing refrigerators with a sufficient amount of foam polyurethane, colored plastics, and thin-walled pipes for evaporators. The manufacture and testing of experimental models have been delayed. The ministries have been unable to meet the deadlines for modernizing and retooling the enterprises so that they can produce the new models.

All this has led to a situation whereby in 1985 only the Moscow Domestic Refrigerator Plant and the Kishinev Refrigerator Plant were able to begin serial production of the new items. The remaining manufacturers are switching over to the so-called transitional models. Some of the latter, including the Biryusa-16-17-18, with regard to their technical level (expenditure of electric power, a temperature of  $-18^{\circ}\text{C}$  in the low-temperature section, automatic defrosting of the evaporator, and the use of foam polyurethane) are close to the best foreign models.

There has been a rise in the technical level of the ZIL-64 refrigerator (expenditure of electric power, automatic defrosting of the evaporator, and a temperature of  $-18^{\circ}\text{C}$ ). However, the use of fiberglass as thermal insulation sharply reduces the over-all technical level of this model.

Unfortunately, even some of the experimental models of refrigerators are still only at a medium level in comparison with the best world models.

With regard to weight, specific freezing capacity, and time of retaining the cold (to  $-9^{\circ}\text{C}$ ) in the low temperature compartment in case of an accidental network power failure, the double-compartment sets are also still lagging behind the demands of the present day.



The Glochel 1201 MS-120 freezer has only a single-point door seal, which is inadmissible for such items. It is not economical with regard to the expenditure of electric power and metal consumption. The MSh-200 freezer likewise suffers from these same shortcomings.

Constituting the weak aspects of sets in the parametric series and lowering their technical level is the fact that the designs lack non-removable cooling units and foamed evaporators. They do not yet utilize foamed polyurethane, which possesses high thermal-insulating characteristics; there is a lack of rotor-type, small-size compressors with a high specific cold productivity, aluminum metal compartments (having a thickness of the aluminum sheet metal of the "orange-peel" type, i.e., 0.5--0.6 mm), electronic heat regulators, as well as temperature indicators for double-compartment refrigerators and freezers.

The new items have been extremely slow to receive their authorization. As a result, many models are becoming obsolete even before they are put into serial production, and this has a negative effect on their sales.

As noted at the April (1985) Plenum of the CPSU Central Committee, a great deal remains to be done in order to more fully satisfy the demand for industrial items, to saturate the market with the necessary products, to improve the quality and expand the assortment of goods being produced. In the light of these circumstances the creation of up-to-date refrigerators and freezers has become an urgent matter, one which cannot be postponed.

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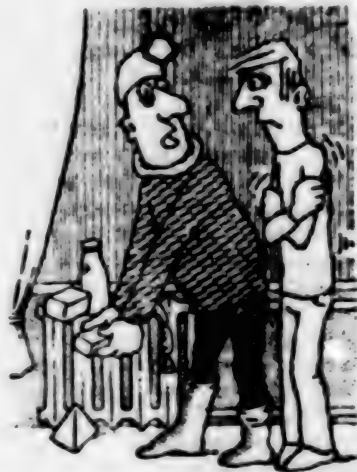
CSO: 1827/49

CONSUMER GOODS PRODUCTION AND DISTRIBUTION

CARTOON COMMENTARY ON CONSEQUENCE OF SHODDY APPLIANCES

Moscow TRUD in Russian 11 Oct 85 p 4

[Cartoon]



--I'm having the refrigerator  
repaired, but in the meantime  
I'm using a battery.

Drawing by S. Nechayev

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CSO: 1827/57

## HOUSING AND PERSONAL SERVICES

### EDITORIAL COMMENTS ON EFFORTS TO UPGRADE SERVICES

Moscow IZVESTIYA in Russian 2 Nov 85 p 1

[Editorial: "Developing The Service Sphere"]

[Text] The recently adopted Comprehensive Goods and Services for the 1986-2000 Time Period talks to the need to develop forcibly all types of services. In addition to the expansion of consumer goods production for the public and the improvement of these goods' quality we find the indispensable condition of enhancing the population's living standard to a qualitatively new and more advanced degree.

Indeed, services which are paid for are one of the main issues of party social policy. Today's state of affairs with this issue is still a long way from being perfect. We all still do not accurately understand what possibilities are inherent in the concept of services for payment.

We have become used to associating our expenditures primarily with the acquisition of goods. But services? Today, there are approximately 900 kinds of services accorded to the public which belong to the category of "personal" services. There are many, many people called upon to serve us! The bus driver, cutter, painter, hotel manager, technical metal fitter, watchmaker, teacher of dress-making courses, electrician, savings bank clerk, refrigerator repairman, auto mechanic, aerobics instructor... From this single listing it is clear how rich the selection of services is which are offered to us.

Services which are paid for today cost approximately 35-40 billion rubles. It would seem that this is no small sum. The question, however, emerges: Are we getting enough of these services? Does their quality always satisfy us? Of course, not. There are many critical issues, for instance, with the repair of household appliances; many headaches plague people with regard to auto service. People are rarely willing to repair an item at home. There are other considerations: the demand for goods is satisfied for us about 90 percent of the time, but services - only about 65 percent. This means that the income from this sphere could be at least 150 percent greater.

This is how things stand with existing types of service, i.e., with things which are "given" to us. But what if it still has to be "given?" Let us take, for example, renting an auto. In Georgia, for instance, this service has been

introduced. As the saying goes, there is no getting rid of all those who wish to take advantage of this service. What if we further revitalize this service, something which would be very beneficial (and very, incidentally, advantageous both to the client, as well as to the state)? What if we offer dozens of new services which still do not exist and about which we are still only dreaming? Then today's revenues from services would increase without exaggeration several times.

Who then should organize this service as it should be and arrange a mutually advantageous, mutually beneficial system in this matter?

Things today are getting much, much better, especially in connection with the experiment being conducted in several oblasts and republics. (Incidentally, 1986 will see new working conditions with regard to routine services in our country.)

But there are still problems, from the consumer's perspective, which are even more pressing to his daily interests. Where are the service enterprises located? Who is in charge of the shop or establishment? A knowledgeable, enterprising individual, or a tired, old character who can do only a few things? Finally, why don't they always offer what people really need today?

The key role in solving this kind of issue should be played by local soviets - the chief agencies of our cities and villages, and, as people say, our everyday existence.

In offering "a service which did not exist" we more often than not are only guessing about the people's wishes. After all, there are instances when the appearance of a new service is planned for in good time. Even foreign experience and the public's wishes were studied. We can refer to a number of them here: for example, the street in Odessa called "Do It Yourself." The city's inhabitants immediately like this idea of a street where several shops opened in which anybody can cut metal, work with wood, finish a hair-do... All of this is a beneficial utilization of free time; it develops necessary skills for life and inculcates a love for work in the younger generation. And it is all paid for willingly by the people. People have done the same in Saratov, Kuybyshev, Leningrad, and Voronezh...

What can be said here? It was "guessed" about accurately and in time. Can't we really go ahead with a great deal of other equally and mutually advantageous ideas? Let us look at only amateur gardening. Even here, there is really a sea of unused possibilities! The building of garden houses, the provision of sand or peat to the plot, the advice of an agronomist and livestock specialist, the receipt of production surplus, judicial advice, sales and other servicing are only a few items which will prove that you will not enumerate everything which people would want to get here, or what can ultimately be done for them.

The issue of developing a service network in the countryside is also pressing. Today, the "saturation" with several kinds of service in the village is twice as low as in the city. No one will argue that it is no easy matter to organize services at the required level in a rural location. Even, however, there is the excellent experience of the work of appliance stores and large reception

points in, for instance, Kostrom Oblast and the Kiev, Grodnen, Smolensk, and Dnieprpetrovsk oblasts, as well as in Altai. This experience needs to be disseminated and quickly and extensively applied.

Routine services are difficult for city dwellers as well. Particularly in Moscow, a very large city, there are sometimes only one or two repair facilities for individual kinds of home appliances. Clients are required to travel many kilometers to bring their appliances. Alas, the network of services is not expanding. The facility on Novoslobodskiy Street took nine years to build, the construction of such an enterprise on Mir Prospect has been going on for eight years already. Fifty million rubles, earmarked for the development of services, have not been utilized in the capital in the last two five-year plans.

Doesn't such clumsiness testify particularly to the fact that people have gotten used to regarding services as a third-rate affair?

Some words about those who service us. The sphere of services is being mechanized and is also becoming an industrial branch, but the decisive role still is played by man, by an expert. The party is calling on us all to strengthen in every way the authority of this important branch and to enhance the prestige of service employees. A great deal for this must come from the employees themselves, their skills and educational level.

The service branch is undergoing an important period today. In the draft edition of the CPSU Program it states: "We envision the implementation of major measures to create a modern, highly developed service sphere. The increase in volume, the expansion of the assortment and the enhancement of the quality of services will permit a greater satisfaction of the growing requirements of the population in various forms of housing and municipal, transportation, routine and socio-cultural services, the alleviation of work at home, and the creation of better conditions for recreation, the richer utilization of free time, and a more fully appreciated leisure."

Service for everyone is everyone's business, it is our common issue.

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## HOUSING AND PERSONAL SERVICES

### EXTENT THAT SERVICES MEET CONSUMER DEMAND EVALUATED

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[Article by A. Bokov and A. Shmarov, candidates in economic sciences:  
"Predicting the Development of the System of Paid-for-Services"]

[Text] The constant and rapid growth in the living standard of the Soviet people and the increased level of consumption of material goods inevitably lead to an increase in the role and significance of services in the system of public demand. This fact, specifically, is evidenced by the leading growth in expenditures for payment of services as compared with the increased public consumption of food products and nonfood items. This progressive tendency is regularly intensified with the growth in the average level of monetary income of the population. Thus, for example, in 1965 the portion of services in the public consumer budget comprised 8.8 percent, in 1970--9.1, and in 1979--9.8 percent.<sup>1</sup> The presented data testify to the rather rapid expansion of the sphere of paid services in the system of meeting the public demands. However, we must note the fact that services in the public consumer budget could occupy an even more significant place if the solvent demand for them was satisfied in full volume. Also, at the present time the development of the system of paid services in a number of cases still does not meet the rapidly growing demands of the population, particularly in terms of the assortment and quality of services. "Today in our country," noted Comrade M.S. Gorbachev, speaking at a meeting of the active membership of the Leningrad party organization on 17 May 1985, "75, if not a full 80 percent, of a person's monetary expenditures account only for commodity turnover, while very little is spent on services, less than in a number of other countries."<sup>2</sup> As a result, the phenomenon of unsatisfied demand raises, and the deficit in services which is associated with it. The insufficient level of development of the current system of paid services is most clearly manifested when compared with the indicators for rational consumer budget (RPB), which includes the system of indicators of services consumption along with the standards for consumption of material goods. According to the available evaluations, the portion of paid services in the make-up of the consumer budget must almost double in order to reach rational standards in the future.

The unsubstantiated differences in the consumption levels of paid services are also great throughout the country's territory as applied to urban and rural areas, type of populated area, and social indicator. Specifically, in the

expenditures of kolkhoz families, the relative share of socio-cultural and domestic services at the present time is only half that of the expenditures by families of workers and employees.

An important reserve for the further development of the system of paid services is overcoming departmental decentralization of enterprises in the sphere of services, as a result of which the level of consumption of paid services by certain groups of the population is determined not so much by the amount of effective demand as by the conditions of their work load, assuming certain departmental benefits.

Under current conditions, the development of the Integrated Program for the Development of Consumer Goods Production and the System of Public Services, computed for the period to the year 2000 is particularly crucial. The main goal of this program consists of correctly "defining the basic paths, the directions of promoting the sphere of services as a whole and each of its sectors, and ensuring their coordinated growth."<sup>3</sup>

In connection with the development of the Integrated Program, the importance of theoretical research in the sphere of determining sufficiently reliable prediction evaluations of the public demand for paid types of services is also increased. As applied to services, this task is of extremely important significance, since services, unlike goods, cannot be produced ahead of time, transported and sold in a different place. Therefore, miscalculations in this sphere may mean serious losses for the country's national economy as a whole.

The economic literature focuses attention primarily on the study of problems of development of specific groups or types of services in the sectorial cross-section, without tying them in to the entire structure of formulating the monetary expenditures of the population. At the same time, we know that an insufficient supply of services is compensated in certain measure by an additional load on retail commodity turnover and causes a growth in excess monetary savings, which is the situation that we observe at the present time. However, in the case of an isolated examination of services, this unsatisfied demand for services, which is embodied in other elements of monetary expenditures, is rather difficult to evaluate. The development of a correct plan strategy in the sphere of development of the entire system of paid services as a whole as well as of individual component types of services presupposes in-depth research in the sphere of studying demand for services.<sup>4</sup> The task consists of learning not only to correctly evaluate those processes in the development of consumer demand for services which are observed in reality, but also in establishing the factors of its formulation and in influencing demand in a goal-oriented manner, resolving certain long-term social tasks.

Let us examine the results of the integrated approach to studying the development of paid services, which is characterized by two basic elements: 1) the demand for services is studied as an element of the entire system of monetary expenditures by the population; 2) the peculiarities of formulating demand for specific types of services are analyzed within the framework of changes in the overall amount of monetary expenditures by the population for services. The unity of the indicated aspects allows us to trace the way in which demand for

services changes: on the one hand, depending on the general conditions of realization of monetary income, and on the other--on the effect of individual specific factors determining the specifics of formulation of demand for certain types of services.

The realization of the proposed approach to the study of demand for services may in practice be implemented within the framework of the existing system of computing the balance of monetary income and expenditures of the population. Its main content is the following balance relationship:

$$D = P + U + S + Q,$$

where D is the monetary income of the population; P is the expenditures for buying goods; U is the payment for services; S is the growth in savings, and Q represents other expenditures.

The information contained in the expenditure portion of the balance of monetary income and expenditures of the population allows us to present the overall value of monetary expenditures by the population for services U in a cross-section of eight major groups:  $U = \sum U_i$ , where  $U_1$  is rent and communal payments,  $U_2$  is payment for non-productive types of domestic services;  $U_3$  are the dues paid to children's institutions;  $U_4$  are the expenditures for trips to sanatoriums, rest facilities, tourism, and paid medical services;  $U_5$  are the expenditures for movies, theatre and other events;  $U_6$  are the expenditures for passenger transport;  $U_7$  is payment for communications services, and  $U_8$  represents other expenditures for payment of services.

In turn, each of these groups may be broken down by individual types of services based on the application of sectorial statistical accountability, materials of selective studies, etc. Thus, the entire nomenclature of services is broken down into 120-130 points.

How can the proposed balance scheme be used in plotting long-term predictions of the demand by the population for paid services?

In our opinion, it is most expedient to use the so-called method of inter-republic compilations for the solution of this problem. The basis of this method is the comparison of average per capita data on expenditures by the population for services and the factors determining their formation in individual union republics. A principally new feature in this approach is the fact that, unlike the existing methods of predicting services based on the treatment of data of a temporal series, this approach exposes the regional peculiarities which come about in the process of formulation of demand for services. Thus it becomes possible to bring in new information for evaluating the conditions of formulating demand for services in every specific year of the reporting period. In essence, the method of inter-republic compilations makes it possible not only to establish the interconnection between the expenditures of the population for services and the factors determining them, but also to clarify how these interconnections are modified in the course of time. The possibility of utilizing inter-republic information for studying the processes of formation of demand for services throughout the country as a whole is determined by the



generality of the mechanism of their formulation in different regions. This peculiarity of the regional aspect of consumption has been noted by economists who, rightly, in our opinion, stress the fact that "every level of living standard has its own inherent structure of consumption which repeats, with certain deviations and peculiarities, the path already travelled before it by individual regions. This is the manifestation of the typical character and repetition of consumer structures."<sup>5</sup>

Thus, the data on the structure of monetary expenditures by the population (for specific types of goods, services, etc.), taken within a cross-section of republics with varying level of socio-economic development, may be viewed as unique characteristics of definite stages and steps in the formulation of the make-up of consumer expenditures of the population as a whole. In other words, such a cross-section reproduces in a certain sense the dynamics of the process of realizing the demand by the population through time. This gives broad possibilities for utilizing this type of information for obtaining predictive evaluations of monetary expenditures by the population for goods and services.<sup>6</sup>

The results of an analysis of the factual material have shown that it is enough to consider only two general factors in determining the dynamics of public demand. Specifically, these are the level of average per capita monetary income and the change in the relation between numbers of the urban and rural population. If we speak of fully specific types of paid services, then along with these general factors we must consider also the specific peculiarities of the development of services. Thus, for example, in evaluating the demand for transport services it is expedient to consider the level of provision of personal transport to the population. In developing predictions for the improvement of services by children's preschool institutions, it is necessary to consider the number of children of the appropriate ages, as well as the level of employment of women. The amount of expenditures by the population for payment of rent and communal services is determined in significant measure by the relations which have been formed in the distribution of the housing fund by forms of ownership, since the payment conditions for them vary. In this case, it is expedient to perform predictive computations separately for the state, cooperative, individual and kolkhoz housing funds. A predictive evaluation of monetary expenditures by the population for services of a recreational character must necessarily consider the age groups which most actively utilize these forms of services (from 25 to 60 years of age), etc.

As the indicators of services are decentralized, the set of factors included in the computation of demand is gradually augmented and expanded. Certain methodological difficulties arise in computing the factor of migration of money between individual union republics. Thus, the monetary income obtained by the population in the territory of one republic may be spent on obtaining services in the territory of another republic and this, naturally, will distort the results of the predictions plotted on the basis of inter-republic compilations. We may isolate, for example, inter-republic flows of cash money associated with the travel of workers, employees and kolkhoz farmers on business trips, for education, rest, medical treatment, etc. It is extremely complicated to

isolate, let alone evaluate, all the channels of money migration. Nevertheless, as it turned out, this difficulty may be avoided if the indicator characterizing the surplus of income over expenditures (or vice versa) by the population of a given territory is included as a general factor in formulating the demand for services.

The overall scheme of formulation of such a model of demand for paid services may appear as follows.

The first step in computations associated with the treatment of data on monetary expenditures by the population for services in a regional cross-section consists of regressive analysis of the effect of a number of variable affecting the change in overall value of demand by the population for paid services for each year of the reporting period. In this case, the amount of monetary expenditures by the population per capita for services in the cross-section of the union republics stands out as an independent variable. Its change is fixed depending on three factors—monetary income, relative share of urban residents in the overall numbers of the population, and the indicator characterizing the surplus of income over expenditures by the population in the given republic. In the case of a linear form of dependence, these equations will take on the following appearance:

$$y^t = a_0^t + a_1^t x_1 + a_2^t x_2 + a_3^t x_3,$$

where  $y^t$  is the value of monetary expenditures by the population for payment of services in the  $t$ -th year of the reporting period;

$a_0^t, a_1^t, a_2^t, a_3^t$  are the corresponding parameters of the equation in the  $t$ -th year.

Further, the parameters of the obtained equations are equalized depending on time. The trends of the parameters may have the following appearance:

$$\begin{aligned} a_0 &= a_0^t + a_0^t t; & a_1 &= a_1^t + a_1^t t; \\ a_2 &= a_2^t + a_2^t t; & a_3 &= a_3^t + a_3^t t. \end{aligned}$$

Substituting the appropriate values into these dependences, it is easy to compute also the parameters of the predictive function. The function constructed in this manner may be used for obtaining long-term evaluations of the public demand for paid services. These evaluations are the target orienter in determining the public expenditures for specific types of services at the next stage of performing the computations.

Such a by-stage scheme of computations makes it possible, in our opinion, to realize the integrated approach to the evaluation of public demand for paid services. We especially focus attention on this peculiarity, since it determines the principal conditions of solving problems associated with the substantiation of monetary expenditures by the population for services in the long-term perspective. The fact is that the existing approaches to predicting the demand for services, as a rule, do not consider the possible changes in the structure of monetary expenditures by the population for other types of expenses. Thus, the predictive evaluations of demand for services often turn out to be non-correlated with the purchase of goods and monetary savings, which in practice may lead to serious miscalculations in determining the possible limits of development of the sphere of paid services.



In spite of all its advantages, the model based on analysis of information on the balances of the public's monetary income and expenditures also has its shortcomings. The main one is the difficulty in computing the effect of the factor of national peculiarities and traditions in consumption on the structure of monetary expenditures by the population.

In actuality, the functions of demand reflect the dependences of formulation of consumer expenditures on the value of monetary income of the population. At the same time, the structure of the expenditure portion of the balance of monetary income and expenditures of the residents of union republics inevitably bears the imprint of historically formulated consumption traditions. Under the conditions of such a multi-national country as the USSR, the effect of this factor on the differentiation of expenditures is rather great. This leads, on the one hand, to a persistent need to "purify" the inter-republic differences in consumption of their national peculiarities, and on the other--to learn to quantitatively evaluate their effects. Only in this case will the approach based on regional data be correct.

We have developed a method for elimination and quantitative evaluation of the national peculiarities of consumption, based on the compilation of a scale of differences in the value and structure of consumer expenditures by representatives of similar income groups throughout the different union republics.

The procedure of computing such a scale appears as follows. Using the materials of budget survey, numerical (percentage) ratios are established for each of the income groups on the amounts of consumption of individual goods and services by residents of different union republics. (As a standard we may take, for example, the amounts of consumer expenditures by the USSR population as a whole). As a result, we obtain 16 (by the number of income groups isolated in the budget statistics of the USSR TsSU [Central Statistical Administration] for workers, employees and kolkhoz farmers) scales of coefficients which reflect the national specifics of consumption. Further, these scales are reduced to one by means of computing the average value coefficients based on the logarithmically normal law of population distribution by income groups and the number of families of workers, employees and kolkhoz farmers. The introduction of the obtained scale into the model makes it possible to eliminate the effect of the national factor.

Another problem consists of evaluating the effect of the scope of unsatisfied demand on the value and make-up of consumption. The phenomenon of unsatisfied public demand for paid services requires special study. At least two factors must be established within its framework: the specifics of manifestation of imbalance in demand and supply in the system of services, and the methods of quantitative evaluation of the unsatisfied demand.

The task of overcoming the imbalance in effective public demand for goods and paid services which has arisen in recent years, and the conditions for actual provision of these services are among the most important factors in the dynamic development of the people's living standard. The current nature of this problem is evidenced by the fact that the 27th CPSU Congress issued a directive for full satisfaction of demand immediately after the most important task of growth in the living standard--to be accomplished by means of increasing the real income of the population.<sup>7</sup>

Questions of improving the balance of effective supply and demand of consumer goods have been discussed repeatedly in their various aspects not only in the scientific literature but widely in the press.<sup>8</sup>

Nevertheless it must be noted that efforts in this area are directed as a rule to evaluating the preconditions for satisfying public demand for various commodities, whereas relatively little attention is given to the problem of balancing supply and demand for these services. In our view this is not entirely justified owing to the special conditions for satisfying the demand for services. The fact is that with respect to a number of kinds of paid services the concept of demand, and accordingly of unsatisfied demand, acquires a conditional character. Inasmuch as the customers for certain services (domestic and public services, preschool care for children, and to some extent transport) lack freedom of choice in the use of them, the amount of expenditure for them will depend not on the extent of demand but to a decisive degree on the scale of supply of the corresponding services. With reference to a number of kinds of services it is therefore expedient, in our view, to bear in mind the potential of attracting additional public resources for the payment of services through broadening their scale and improving their quality when using the concept of "an unsatisfied demand for services."

The evaluation of the scope of imbalance in the effective demand for services may be performed by two means. The first presupposes the determination of the scope of redistributive relations in the sphere of services and is based on an analysis of the budget statistics of the USSR TsSU. The fact is that the expenditure portion of the balance of monetary income and expenses reflects the financial interrelation of people only with the state and cooperative organizations: the amounts of expenditures for the purchase of goods in trade, for payment of services rendered by a publicly organized service, for dues paid into the state financial system, etc. At the same time, budget studies also fix monetary expenditures on services rendered by "private parties," and on the purchase of goods from private citizens. The unsatisfied public demand is thereby considered in a certain way, at least in that part which is realized within the framework of redistributive relations between groups of the population.

In our opinion, the basis for the set of computations must be a model which establishes the dependence of formulation of expenditures for certain types of services (with consideration for the services rendered by individual citizens) on the amount of monetary income of the population (after the type of known model of differentiated balance of income and consumption by the population).<sup>9</sup> Among the advantages of this method are, on the one hand, the clear quantitative characteristics of interrelations of demand for various forms and types of services, which make it possible to utilize them directly in predictive computations. On the other hand, this approach correlates with the initial model for predicting demand, since it is oriented (as are the computations for differentiated balance) on the information of balance of monetary income and expenditures of the population.

At the same time, the peculiarity of budget statistics consists of the fact that in reflecting, as we have already noted, the scope of redistributive

relations between groups of the population, it considers only that value of unsatisfied demand for services rendered by publicly organized service which is actually realized through the services of "private parties." Therefore, a rather significant amount of unsatisfied demand for services, which is not realized either through the channels of state service institutions or through the individual activity of private citizens, remains outside the framework of the computation.

A full evaluation of the imbalance in effective demand for services may be implemented by means of direct computations of its magnitude. Such computations are based on attracting the broadest circle of sources (budget statistics, balance data, information obtained as a result of special studies on demand, data of sociological studies, etc.) and are performed for all varieties of paid services.

Thus, in substantiating unsatisfied demand for paid services in housing management, we must proceed from the fact that the magnitude of this demand is derivative, formed depending on the general conditions of satisfying the public demands for housing. Here, the evaluation of unsatisfied demand examines the characteristics of actually existing and, we might say, officially fixed demands for housing. In satisfying such quantitatively determined demands, the state obtains additional capacities for attracting public monetary funds for the payment of services in housing management (as part of the rent in the state housing fund and operational expenditures in ZhSK [housing construction cooperative] houses).<sup>10</sup>

The evaluations of amounts of possible additional public expenditures for payment of services in communal management are also rather important. At the present time, the level of provision of the generalized housing fund with services in communal management fluctuates from 60 to 90 percent, depending on the type of services. The individual housing fund is provided with communal conveniences to a relatively lesser degree. According to our evaluations, the population, based on existing amounts of the housing fund and conditions of overcoming objectively unsubstantiated differences in the degree of provision of communal conveniences, is capable of spending funds from their personal monetary income for payment of communal services in an amount necessary to eliminate these differences.

Evaluations of unsatisfied demand for passenger transport services have, as we have already noted, a conditional character. At the same time, there are those types of services within the system of public transport services in regard to which there may be concepts of unsatisfied demand. We are referring to air transport. The disparity in the level of supply of its services and the public demand is expressed, on one hand, in the reduction in the growth rate of monetary expenditures by the population (as a result, for example, of reduction in tourist routes utilizing air transport), and on the other--in changing over the public demand to other types of transport services, particularly to the services of railroad transport, which is also expressed in a reduction in the overall level of public monetary expenditures for these purposes.



The demand for domestic services of a nonproductive character is at the present time close to the saturation point. However, in certain aspects there are deficit types of services even here. This relates, specifically, to the services of bath complexes, barbershops, and ritual services. A definite reserve for attracting additional monetary funds from the population to state income under the existing scope of services will be, in our opinion, the more strict accounting of monetary influx from the consumers of such services. The data of selective studies testify to the fact that incidence of services rendered without giving receipts is high in a number of paid services. This means that a certain part of the state income is undercollected.

The evaluation of volumes of unsatisfied demand for services in the recreational complex are substantiated by materials of sociological studies on the ratio of actual and desired forms of recreation, reflecting the degree of satisfaction in the demands for various types of socially organized recreation. Here it is important to note the fact that there is the real possibility of a significant reduction in this value, primarily as a result of the implementation of organizational measures. One of the problems consists of creating conditions for the more effective utilization of the available bed space in rest institutions, particularly those subordinate to the departments.

According to the most approximate computations, the volume of unsatisfied demand for paid services comprises around one-third of the entire sum of public expenditures for the services. Studies performed at the NIEI [Scientific-Research Economic Institute] under the USSR Gosplan [State Planning Committee] show that the reduction in the volume of unsatisfied demand for these services may be achieved in the future by organizational measures and by regulation of rates within the system of services, which does not require any significant additional capital investments. Among these measures is the transition to a new order of collecting rent--for the general living area of the apartment; the introduction of higher payment rates for excess living space; the widespread introduction of a 25 percent markup on rent for living in new houses; the accelerated rate of construction and introduction of ZhSK houses as compared with the general operational introduction of housing; the increased level of provision of the housing fund with communal conveniences; the introduction of differentiated price lists for payment of communal services depending on the presence of pets in the family, personal subsidiary farming, or individual transport means (a similar system is already operational in the Latvian SSR); rationalization of the level of electrical energy consumption in domestic use due to the introduction of limiting rates on it; improving the system of rates for water, gas, and central heating, and establishing time payments for the use of personal telephones.

Moreover, there are real conditions for the noticeable expansion of services by institutions in the recreational sphere. Specifically, for this purpose, it is necessary: to overcome the negative consequences of departmental organization of rest institutions; to change over to more flexible forms of servicing (significant differentiation in times of trips, expansion of system of rest and recreation on off days, recreation with children, family recreation, etc.); to ensure the possibility of varying the cost of trips depending on the season, etc. There are also prerequisites for state regulation of housing rentals



from private parties in resort areas and country sites. The scope of redistribution of monetary funds between population groups here is rather large. Other directions are also possible for additionally attracting public monetary funds for payment of services as a result of the development of new types of servicing.

The development of reliable predictions of public demand for paid services requires improvement of the informational base for the computations. A definite modification in the methodology of formulating the expenditure portion of the balance of public income and expenditures would be expedient. The expenditures by the population for payment of production types of domestic services and share payments to the ZhSK should, in our opinion, be considered within the make-up of expenditures for paid services. Similar balances should also be worked out in the cross-section of the urban and rural population, which will make it possible to significantly improve the scheme of computations for the for the inter-republic model of demand proposed above.

We must continue the development of materials for budget studies by the USSR TsSU by cross-section of income groups. Also, we must coordinate the classification of articles on expenditures for services used in them with the nomenclature of positions for the appropriate section in the balance of monetary income and expenditures by the population.

The organization of special studies on unsatisfied demand for paid services would also be expedient, by analogy with the studies performed, for example, by the VNIIEKS [All-Union Scientific-Research Institute on the Study of Public Demand for Consumer Goods and Conjuncture of Trade] under the USSR Ministry of Trade in relation to consumer goods.

#### FOOTNOTES

1. Cf.: Sarkisyan, G. S. "Narodnoye blagosostoyaniye v SSSR" [Public Welfare in the USSR], Moscow, 1983, p 168.
2. Gorbachev, M. S. "To Persistently Move Ahead." Introduction presented at a meeting of the active membership of the Leningrad Party Organization, 17 May 1985. Moscow, 1985, p 23.
3. PRAVDA, 14 July 1984.
4. Cf.: Rutgayzer, V. M. "Resursy razvitiya neproizvodstvennoy sfery," [Resources for the Development of the Nonproductive Sphere], Moscow, 1975.
5. Mozhina, M. A., Rabkina, N. Ye., Kimashevskaya, I. M. "Well-Being, Distributive Relations and the Problem of Optimal Development of the Economy of Socialist Society" *EKONOMIKA I MATEMATICHESKIYE METODY*, 1980, Vol 16, No 3, p 432.

6. A more detailed study of the application of inter-republic information for researching questions of formulating consumer demand is presented in: "Sovremennyye protsessy formirovaniya i prognozirovaniya sprosa," [Current Processes in Formulating and Predicting Demand], Moscow, 1980, p 126-153.
7. Cf.: "Materialy XXVI s'yezda KPSS" [Materials of the 26th CPSU Congress], Moscow, 1981, p 176.
8. Cf.: "Sotsialnyye problemy v perspektivnom planirovanii" [Social Problems in Long-Range Planning], Moscow, 1982.
9. Cf.: "Differentsirovannyy balans dokhodov i potrebleniya naseleniya," [Differentiated Balance of Income and Consumption by the Population], Moscow, 1977.
10. In principle we may also relate to this the amount of share payments to the ZhSK. However, by the methodology of the balance of monetary income and expenditures they are related to the column of mandatory payments and voluntary donations.

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## HOUSING AND PERSONAL SERVICES

### TECHNICAL ADVANCES IN BSSR HOUSING, COMMUNAL SERVICES

Moscow ZHILISHCHNOYE I KOMMUNALNOYE KHOZYAYSTVO in Russian No 8, Aug 85 pp 12-13

[Article by V. D. Braim, deputy chief of the Technical-Production Administration, BSSR MZhKKh [Ministry of Housing and Municipal Services]: "Belorussia: In Alliance With Science"]

[Text] The housing and municipal-services management of Belorussian SSR represents a well-developed branch, the fixed assets of which exceed 5 billion rubles, or one-third of the republic's total fixed assets. Its components are housing, hotel, water-supply and sewage, and boiler managements, repair-and-construction and industrial production, urban passenger electrical transport, landscaping and road-and-bridge construction, sanitation services for populated places, physical-therapeutic work with the population at their place of residence, etc. The branch unites more than 500 enterprises and organizations.

More than 6 million residents and guests of the republic enjoy the services of the housing and municipal-services sphere. The total volume of sale of output, operations executed, and services rendered to the public constituted 571.2 million rubles in 1984.

The development of scientific-technical progress in the housing and municipal-services management of BSSR is oriented toward the guaranteeing of the intensification of the economy in the branch. The basic attention is directed at the acceleration of the introduction of new technology, advanced technological schemes, automated systems for administering the most important technological processes; the improvement of the economic mechanism both for the introduction of everything that is new and advanced, and on the whole for the effective work of the branch by means of the selection of efficient production and organizational structures for the enterprises, the improvement of the forms and methods of administration, the development of cost accountability and the brigade forms of the organization of labor, and the substantiated capital-investments policy; and the training and retraining of workers and engineer-technical cadres in the branch.

Beginning in 1980, the target-program method of planning and administration of scientific-technical progress has been used for the first time in the branch. At the present time the system of the housing and municipal-services management of BSSR, jointly with the organizations of USSR State Committee for

Science and Technology, Gosgrazhdanstroy [State Committee for Civil Construction and Architecture], the institutes of BSSR Academy of Sciences, the Academy of Municipal Management imeni K. D. Pamfilov, BSSR Gosplan, and BSSR Gosstroy, has been implementing scientific-technical programs: one international and 11 union-level and republic-level comprehensive programs, including five republic-level key programs.

Something that deserves attention is the application of a system developed in the housing and municipal-services management of Belorussia -- the branch system of operations administration in the mode of direct dialogue communication on the basis of the teleprocessing of data, machine economic analysis, and Intellect [Intellect] electronic speech synthesis. Its technical-organizational basis is made up of the SPTB [special production-technology bureau?] for Control Systems, which is equipped with third-generation YeS-1022 electronic computers; technical means for teleprocessing of data; group devices for creating images, on the basis of YeS-7906 technical devices; the construction of the speech output of information, that is linked, by means of a TAU device [modem?] with the city telephone system. The system software is oriented toward the control of the technical means of output of information to the speech device and the image device and provides a level of communications with the computer that is convenient for use.

The Intellect system provides for the carrying out of time-responsive economic analysis of the republic's housing and municipal-services management and the working out of alternative versions of administrative decisions. In this process the measures, deadlines, volumes of fulfillment, the executor organizations, and other information pertaining to the activity of the branch are entered in the computer storage and constitute the system's data base.

The technological process of water supply for the capital of Belorussia, Minsk, is monitored by an automated system for controlling the technological process of water supply (ASU TP water supply). It accumulates, records, and gives an image of the information and, using economic-mathematical methods, resolves the chief tasks of controlling this complicated technological process: it maintains operations control, carries out time-responsive administration and optimization, operations accounting, and the computation and analysis of the technical-economic indicators.

In recent years the republic's housing and municipal-services agencies have carried out a series of measures to assure the further development and effective use of the water-supply systems and their continuous, reliable operation. Centralized water supply at the present time exists in all the cities and urban settlements.

A comprehensive key program has been developed for raising the technical level of the water-supply and sewage economy in the housing and municipal-services management of BSSR for 1986-1990 and until the year 2005. In this regard, a plan has been approved for geological-prospecting operations to determine the reserves of underground water; a long-range plan for the development of water-supply and sewage systems for populated places has been drawn up; technical-economic studies have been carried out; and other measures have been planned and are being carried out. To reduce the losses and increase the



effectiveness of the use of underground water, on the recommendation of BSSR Minzhilkomkhoz [Ministry of Housing and Municipal Services] limits have been established for the consumption of water by industrial enterprises. This contributes to the broader introduction of recycled water supply.

The network of sewage and purification structures is developing and expanding. Today more than half the volumes of the urban runoff water undergoes biological purification. In this regard, projects to improve the process of aeration of the runoff water are under way. The Belorussian Design-Technology Institute of Urban Management, of BSSR Minzhilkomkhoz, jointly with a number of organizations, has created three generations of aerator elements out of new materials -- baked powder of stannous bronze, oxide systems, and porous-fiber polyethylene. The most promising are hoist-type pneumo-aerators made of porous-fiber polyethylene (cost of the elements in them is one-twentieth of the cost of the first version).

The housing and municipal-services management of BSSR is broadly introducing means of automation and centralized control. The construction of apartment buildings with 9, 12, or more stories has required a completely new approach to the organizing of elevator management and its operation. At the present time the republic has in operation approximately 11,000 passenger and more than 4500 freight elevators, which in the majority of instances are centrally controlled. A number of elevators have been connected to the complexes of technical means of united centralized-control services (ODS).

The introduction of centralized control has made it possible: to improve the quality and reliability of the operation of the engineering equipment by improving the operational mode, the prompt detection and elimination of breakdowns; to increase labor productivity and reduce the number of maintenance personnel; to improve the use of materials resources and economize heat, gas, water, and electrical energy; and to create comfortable conditions for the residents.

The republic is carrying out the elimination of unprofitable individual boiler rooms and the connecting of the heat customers to TETs [heat-and-power stations], the changeover of boiler rooms from solid to liquid and gaseous fuel, and their automation and centralized control. It is planned to activate heat-supply facilities with increased capacity. A comprehensive target program is planned for raising the technical level of the heat and energy economy in 1986-1990 and until the year 2000.

The branch has developed comprehensive programs that guarantee the rise of the technical level in all the basic subbranches, and on their basis, a comprehensive target program for reducing the application of manual labor in the housing and municipal-services management of BSSR. That program stipulates the comprehensive mechanization and automation of production both by means of the greater equipping of the organizations and enterprises with machines, machinery, and means of mechanization and automation that are being series-produced by industry, and by creating new types of machines and machinery. Special attention in the branch is being paid to reducing manual labor in repair-and-construction production.

A number of effective machines, pieces of machinery, and devices for mechanizing hoisting-and-transporting and installation operations have already been created. One of them is a painting assembly based on a self-propelled T-16M chassis, for painting the facades of buildings up to three stories high. It can also be used for other purposes: when maintaining urban electric power-transmission lines, for washing the windows of industrial and administrative building, for trimming trees, etc.

A very important factor is the resolution of the ecological tasks. The system of BSSR MZhKKh is implementing a comprehensive target programs for the protection of the environment. The environmental-protection trend in the activity of the Belorussian Design-Technology Institute of Urban Management, for example, pertains directly to the "Ecological Aspects of Urban Systems" project of the "Man and the Biosphere" UNESCO program. A large amount of importance is attached to the comprehensive target program "Development and Introduction of Progressive Technological Processes and Equipment for the Processing of precipitates of liquid waste (OSV) and solid household waste (TBO) With the Purpose of Using Them as Fertilizer." One of the assignments in the program is the development in the republic of a new trend in the country in the technological scheme for processing OSV and TBO -- their combined neutralization. An experimental plant for the processing of household waste in Minsk, on the basis of OSV and TBO, has obtained an experimental consignment of compost for carrying out research on its use in agriculture and in city landscaping.

The processing of waste products and secondary raw materials is the resolution not only of the ecological problems, but also of the problems of economizing material-technical resources (as much as 200 tons per year of metal alone is returned to secondary industrial use). In the ministry system there has been a definition of more than ten types of reclaimable waste products and more than 700 sources of their formation. A procedure of identifying and accounting for all production wastes has been carried out.

There has been a considerable improvement in the sanitary condition of the cities in the republic by means of the mechanized cleaning of the city areas. Regular scheduled cleaning of house property has become more widespread, and there has been an increase in the volume of removal of solid waste.

The transportation services provided to the public have improved. The total length of the streetcar tracks in Minsk and Vitebsk is currently approximately 120 kilometers, and the average yearly volume of passenger traffic exceeds 150 million persons. Seven cities in the republic have opened up trolleybus service, and the line of the routes is 690 kilometers. More than 1400 trolleybuses carry 590 million passengers a year.

The raising of the technical level of the rolling stock in urban electrical transport is promoted by the complete mechanization of the maintenance and repair of streetcars and trolleybuses. One of the innovations introduced in trolleybus management is a diagnostic stand that was developed by specialists at the branch design-technology institute. With its aid it takes only a few minutes to check all the electrical circuits and electrical apparatus on the trolleybus. The measures involved in introducing this kind of equipment are a

component part of the comprehensive scientific-research target program for raising the technical level of operation of the rolling stock in urban electrical transport.

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## CONSUMER SECTOR POLICY AND ECONOMICS

### AzSSR TRADE MINISTER GIVES OVERVIEW OF SECTOR PROGRESS

Moscow KOMMERCHESKIY VESTNIK in Russian No 19, Oct 85 pp 18-19

[Article by T. Mamedov, AzSSR Minister of Trade, as prepared by KOMMERCHESKIY VESTNIK correspondent V. Gulashvili: "Monitoring Controls at All Stages"]

[Text] At the April (1985) Plenum of the CPSU Central Committee particular emphasis was placed on the fact that trade workers must satisfy more fully the demands of working people for consumer goods, expand the range of services, and improve these services. Today, in order to provide for the demands of a population which is able to pay for these things, we must saturate the market with an assortment of items needed by the customers; we must also improve the forms of trade. It goes without saying that a strict discipline with regard to deliveries, planning for the future, and a fine-tuned mechanism of the inter-action between industry and trade are likewise necessary.

Azerbaijan's trade organizations are trying to solve the problems assigned to them in conjunction with the enterprises of various ministries and departments. In the reciprocal relations between partners widespread use has been made of the agreements and treaties of the socialist community. The Ministry of Trade has concluded eight such agreements with the administrations of industrial ministries. This helps to assimilate new items and improve the assortment of consumer goods. The results of this work in accordance with the agreements are being examined by the managers of the wholesale organizations and the industrial administrations. Nevertheless, the potential of the enterprises located on the territory of this republic is not yet being fully utilized. This comprises one of the reasons why the republic's Ministry of Trade did not fulfill the plan for retail-goods turnover during the first six months of this year. We were justifiably criticised at an expanded session of the Collegium of the USSR Ministry of Trade. Indeed, we must be more demanding of our suppliers, observe the deadlines for inter-republic deliveries as strictly as possible, work with reserve supplies better, and raise the level of retail-trade organization.

The efforts of the workers in this republic sector should be directed at seeing to it that such disruptions are not repeated in the future. We must achieve a stable plan for goods turnover. The better the trade organizations cope with the assigned tasks, the more fully we will provide for the growing



demands of this republic's working people. And it is this which is our principal task. In order to carry it out successfully, we are restructuring the mechanism of inter-action with our suppliers, seeking out additional commodity resources, and improving commercial work with industry.

In its work with producers the republic's trade utilizes various forms and methods. For example, quality controls on items being manufactured are conducted by groups of commodity specialists and graders who have been attached to certain production lines and workshops of industrial enterprises. They make daily reports on the results of such check-ups to the managers of the enterprises and trade organizations. Along with the wholesale and retail organizations, a great deal of work on strengthening controls is being conducted by the State Inspectorate for Goods Quality Control of the republic's Ministry of Trade. Ranking quite high in this work are preventive measures. Materials derived from the check-ups are discussed at the industrial enterprises, and measures are outlined for preventing production defects. Each quarter the summary results of the check-ups are sent out to the industrial ministries, setting forth the reasons for the occurrence of defects and containing recommendations for eliminating the operating problems. Quality control on the goods are also conducted in the trading organizations. Salespersons are involved in this as well as commodity specialists. The work has been organized under the following motto: "Every salesperson is a public grader."

Republic wholesale centers regularly hold meetings with the manufacturers. There are discussions at these meetings regarding the progress in fulfilling the delivery plans, the level of quality of the items being turned out, as well as the questions of renovating and improving the assortment. These same goals are likewise served by certification of consumer goods as to their quality category.

The Azerobuvtorg republic center is purposively intensifying its influence on the manufacturers. Here they are compiling quarterly reports on the quality and the assortment of certain types of footwear being turned out by each production line and by each workshop. Then, together with specialists and the factory managers, they discuss the shortcomings, reveal the reasons causing the worsening of quality, and outline specific measures for eliminating them.

Also effective are the quality days which are held along with the manufacturers by Azerkhozorg, Azergalantereya, and the Mebel firm--which is a wholesale-retail association. Such measures strengthen the economic ties between the enterprises and the trade organizations, as well as effectively solve many problems with regard to improving product assortment and quality. One of the effective forms of working with the manufacturers of items is attaching responsible specialists in wholesale and retail to the enterprises turning out such goods. The wholesale specialists render aid, monitor the progress of fulfilling the contractual obligations with regard to the deadlines and the assortment of supplies.

Such persistent work has allowed us to obtain fairly good results. At the suggestion of the republic wholesale centers, a whole series of items previously not shipped into the republic have been assimilated, including cotton towels, domestic glassware, water-emulsion paint, and shears. Garment items in many new models, knitted-wear, hosiery, and socks have been put into production.

It has become a practice to deliver particularly fashionable, as well as test batches, of items at stipulated prices. Last year the output of such items amounted to approximately 16 million rubles. They all were presented for sale at the republic and inter-republic fairs for the purchase of goods for 1986, and they were in demand.

Of no small importance in seeking out commodity resources are the services for studying demand. Materials derived from the studies made by these services have allowed us to make decisions concerning the construction of industrial enterprises for the purpose of producing consumer goods. Such demand-study services of the Azerkhozorg, Azerkultorg, and Azergalantereya wholesale centers, as well as the republic Sporttovary wholesale-retail association, have conducted during the current five-year plan a study of items which are not being distributed in a centralized manner. It was discovered that, of the 500 brand-name items included within the products lists of these centers, only 56 are produced in this republic; the remaining ones are shipped in from other regions. The results of this study comprised the basis of the decision to build the Baku Plant for producing goods designed for cultural purposes and household use; this plant has already been put into operation.

Upon the recommendations of the republic branch of VNIIS [All-Union Scientific-Research Institute for the Study of Demand for Consumer Goods and Business Conditions], which conducted a study on the prospects for the development of public demand for children's items, the Detskaya odezhd Production Association and the Baku Toy Factory were opened in this republic. At present the Baku Footwear Factory No 1 engages only in producing children's items. Such a re-specialization has had a positive influence on providing the public with items necessary for the rising generation. Questions as to whether it is profitable or not to produce children's items simply do not arise now for the managers of the above-named enterprises. Only one thing remains important for them--to fulfill the orders of trade.

More attention has likewise begun to be paid to trade in children's items. During the last four years the space of the specialized stores trading in goods belonging to this group has increased by 70 percent. Two Detskiy mir stores were opened--in Sumgait and in Baku. Moreover, the Baku facility, as the result of re-specialization, is located in the building of a former department store. It is precisely the services for studying demand which have helped us to make the calculations for distributing commodity resources and to open such large, specialized trade enterprises as the Houses of Fabrics, Furniture, and Clothing in Baku, the House of Furniture in Sumgait.

A great deal of work is being conducted with a calculated aim at future prospects. Wholesale and retail organizations every year conduct approximately 60 sales-exhibits and just as many review-exhibits. Based on the data obtained, about 1870 suggestions have been presented to the enterprises of various industrial sectors regarding the reduction or halting of production, along with more than 2,000 suggestions for increasing the development of items. This work has received the necessary response: the manufacturers have put into production 1500 new types of items to replace obsolete ones.

Nevertheless, we cannot always compel the industrial enterprises to fully provide our orders, to satisfy our demands. In purchasing goods, the trade organizations present their requisitions and orders, compiled on the basis of studying consumer demand. They sign up for an extended assortment in a very careful manner at the fairs, but as soon as deliveries begin for the planned year, the enterprises change the assortment. This is not always done with the agreement of the trade organizations. Emphasis is still being placed on lines of items which enjoy little demand. The producers select products which are more advantageous from the viewpoint of profitability, low labor consumption in manufacturing. They take the path of least resistance, accepting without any objections the raw materials which are offered to them by closely allied industries. In order to raise their economic indicators, manufacturers often increase the production volumes of expensive items, while cutting back on the production of the less-expensive ones of which the market feels a shortage.

On the whole, the orders of the trade organizations are accepted. However, the industrial enterprises have regularly failed to satisfy the needs of trade for cotton prints, men's, women's, and children's cotton underwear, dinner service sets, teapots for brewing, locks and clamps, and household scissors. And on a number of other items intended for cultural and everyday household use, as well as haberdashery goods, the requisitions of the trade organizations year after year are simply not accepted for manufacturing.

And so it turns out that manufacturers sometimes cannot deliver items which are necessary for the customers but instead offer those items for which there is little demand and which are doomed to sit around in the form of above-normal remnants. Naturally, trade cannot accept them. In 1984, if we examine the basic plan of deliveries, we see that the trade organizations were compelled to reject items comprising 22.3 percent of the total volume of purchases. We propose that such items be replaced by more popular ones; we propose fines and other economic sanctions for delivering goods in an assortment which was not ordered. Last year such negligent partners of trade were short in their deliveries of various non-food items to this republic's markets in an amount worth 93.7 million rubles. And if we were to compute the short deliveries in assortment, we would arrive at a figure of more than 112 million rubles. All this means irretrievable losses in goods turnover and, at the same time, unused reserves. We must decisively put an end to this! The producers ought to bear in mind that we will be strictly demanding the fulfillment of contractual obligations.

And so, there are hidden, unused reserves for providing the population with consumer goods in working more actively with the industrial enterprises which are located on the territory of this republic. Azerbaijan's trade organizations are applying all their efforts to carry out the tasks which have been assigned to them.

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## CONSUMER SECTOR POLICY AND ECONOMICS

### PROFIT-ORIENTED CONTAINER PACKAGING ENTERPRISE IN LISSR

Moscow PRAVDA in Russian 12 Oct 85 p 2

[Article by E. Govorushko and Ye. Kanevskiy, LISSR: "Their Own Plant: Built in Kleypeda by the Local City Trade Administration"]

[Text] Not a particularly big event: a small industrial enterprise becomes operative. When a republic seminar on the industrialization of the movement of goods was held in Kleypeda this summer, however, the number-one topic in its program was this new construction project of the city trade administration--a metal-working enterprise specializing in the output of packaging equipment.

An industrial enterprise appertaining to trade. You do not often see this. Moreover, it is not simple to evaluate whether this is good or bad. There have been and will be disputes: who should produce the containers that permit one to ship goods from the place of production to the point of sale quickly, without transshipment and in bulk and who should manufacture the mechanization equipment that assists the uninterrupted operation of this distinctive conveyor? Is this a matter of trade or industry? The answer would seem simple: industry. Practice shows, however, that the need of trade for machine-builders, chemists and paper workers is to a significant extent not being satisfied. Thus, trade management, if it really wants to get things done, has to devote itself to things that parts plants should be doing.

So, through the efforts of V. Urmonene, chief of the trade administration, R. Yakutis, the head of a technological planning bureau, and like-minded persons in Kaunas, the production of equipment not produced by anyone for selling fabric, clothing and shoes was organized. The cooperative members of Estonia are quite successfully "minding someone else's business." In the "Auto" Motorized Transport Association, they are preparing container carriers on the basis of truck chassis. And not only for themselves.

Thus, they began making container equipment and accessories themselves in Klay-peda that was needed on the way from plant to shop. They began here in the mechanical section, but now there is the plant, with a calculated projected output of 20,000 containers a year. With time it will supply the city and the republic, and our neighbors will get some.



We note that in Klaypeda they would have liked to have received the necessary equipment, mechanisms, containers, levelling platforms and packaged products in the necessary quantities as stipulated in the requisitions and orders and without particular trouble. They appealed to various levels, they demanded, but the results were wretched. Therefore, they write with one hand and get things done themselves with the other.

It is not easy. Modern machine tools and equipment do not get allotted for such an untypical industrial trade enterprise. These same people of Klaypeda have to take already-used turning, screw-cutting, rounding and planing machines of the lowest class of precision. They are being put into condition by skilled local craftsmen: fitters V. Rimisha and G. Kononov, welder V. Leylėnas, team leader A. Kabalinas and engineers I. Zhemgulene and V. Pidorich.

"Now," relates A. Likhtinshayn, the chief of the Klaypeda Trade Administration, "an agreement has been concluded with the local planning organization and the Institute of Chemistry and Chemical Coatings of the LiSSR Academy of Sciences. The former will arrange production in a modern technological chain, and the latter will help us introduce so-called lustrous galvanizing. The new coating will be more solid and elegant."

The LiSSR Ministry of Trade has allowed the expenditure of another half million rubles to bring the plant to perfection.

Today it is very important in the course of economic activity to allow initiative and the ability to make use of valuable advanced experience. The Overall Program of Developing Consumer Goods Production and Areas of Services, published the other day, calls us to this.

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## CONSUMER SECTOR POLICY AND ECONOMICS

### RSFSR COMMISSION DISCUSSES CONSUMER SOCIETIES' UNION

Moscow SOVETSKAYA ROSSIYA in Russian 6 Sep 85 p 2

[Article by A. Kamenev: "Paper Revenues--Notes from a Meeting of a Permanent Commission of the RSFSR Supreme Soviet"]

[Text] As already reported, a meeting of the Commission on Consumer Goods and Services of the RSFSR Supreme Soviet discussed the activities of Rospotrebsoyuz [RSFSR Union of Consumers' Societies] aimed at improving the commercial services provided to the public and the organization of procurement and processing of agricultural products. Rospotrebsoyuz is one of the largest trade organizations; almost 47 million people use its services, three-fourths of whom live in rural areas.

The figures cited in the report given by V. F. Yermakov, chairman of the Rospotrebsoyuz Board, went into the millions and billions--the volume of the retail goods turnover, the volume of public catering services, the products purchased, and capital investments in construction. In his accompanying report, Deputy V. K. Kapelko also cited figures in the millions and billions. But these figures were preceded by a minus sign: above-norm unsold commodity stocks, losses due to poor storage of fruit and vegetables, products not handled by processing enterprises...And the result: in the first four years of the five-year plan the plan for the retail goods turnover was met only once, in 1981, and in the following 3 years the shortfall totalled 2.7 billion rubles. And in the past 7 months of this year the shortfall almost reached 1 billion rubles.

Then V. F. Yermakov said that one of the main reasons for the current shortfall is the sharp decline in production and sale of wine and vodka products. But in their statements, the deputies provided a more accurate reason: an inability to adapt to changes, reject outmoded views, and put an end to stagnant thinking. Something else was pointed out as well. The magic of numbers followed by many zeroes distances the rural buyer, who could not buy bread or kerosene, starch or an inexpensive shirt, sugar or nails at his rural cooperative store, from the Rospotrebsoyuz Board. And so he did not pay his few rubles to the cashier at the rural cooperative store, which increased the already significant minus in the daily and yearly receipts in cooperative trade.

A ray of sun shimmered over the polished tabletop, and without hitting anything, disappeared again. Deputy P. A. Pavlov, chairman of a kolkhoz in Kuybyshev Oblast, expressed his views and said:

"The counters in our rural cooperative store are empty. If the kolkhoz won't provide a car, there will be nothing to sell."

Of course the kolkhozes and sovkhoses are concerned about their workers, and they help out. However, the Rospotrebsoyuz is viewing this help more and more as an obligation. What has this position led to?

Here are the facts presented at the meeting. Throughout the system as a whole, 18,000 essential stores do not operate 3 or more days out of every quarter. Out of the hundreds of mobile stores that were set up in this five-year plan by the Vologda, Perm, Ryazan, and Komi republic potrebsoyuzes, only 122 operated as intended. In the last year and a half the mobile stores in Kanashskiy Rayon in the Chuvash ASSR did not make a single (!) trip to rural areas that are without their own stores. Here is yet another fact: 117,000 square meters of commercial space and vegetable storage facilities with a capacity of 24,000 tons have remain unfinished.

The deputies cited another fact. In this five-year plan alone the number of trade enterprises under the Rospotrebsoyuz declined by 1500. The cooperative members explain this by the fact that large modern stores have appeared. But what does high-quality service mean to the many thousands of consumers who sometimes have to travel 5-10 kilometers over roadless terrain?

In their statements the deputies had a great deal to say about purchases. Private farms are growing and developing rapidly, and they already provide a solid base. But problems involving the sale of potatoes, fruit, vegetables, milk, and livestock are growing just as rapidly.

Deputy I. N. Dyakov suggested: "Let's take a look at how the Rospotrebsoyuz utilizes this base. Of the 24,000 Russian kolkhozes and sovkhoses, 9000 do not have procurement stations. So many products bypass the store counter and are sent straight to the market! Isn't this the reason that the Rospotrebsoyuz is in no position to compete with the market and influence its prices? Last year, for example, markets in Pskov, Bryansk, Moscow, and Ryazan oblasts sold 15 times more potatoes than were purchased by the consumer cooperative, and in the Mordovian ASSR and Bashkir ASSR, this can be 30, 50, or 100 times higher. The situation is the same with fruit and vegetables."

We already know that this results in unfulfilled plans, and essentially poor service to the public, and failure to satisfy demands.

The discussion of this issue at the meeting of the commission was, as always, preceded by thorough preparation on the part of the deputies in various oblasts and krays of the RSFSR. This resulted in a document that contains a fairly complete reflection of the diverse work carried out by the Rospotrebsoyuz. The achievements that have been made are objectively noted. But primary attention is focused on shortcomings and omissions. Naturally, V. F. Yermakov, chairman of the board, provided a thorough discussion of the document presented by the

preparatory group, having prepared, in his view, serious explanations for each point. From his report it was clear that many objective factors arise that can be blamed only on the Ministry of Trade, the State Planning Committee, the State Committee for Material and Technical Supply, and other organs. The chairman even explained an acute shortage of horse harnesses as a result of the intractability...of Selkhoztekhnika (!), which for some reason, in addition to spare parts for tractors and combines, does not want to provide "spare parts" for horses.

Well, enough, Valentin Filippovich! If other organizations are going to build their own needed projects, transport their own goods, and as you suggest, begin to be concerned about procurement, processing, and sale of products, then what, we may ask, is the purpose of Rospotrebsoyuz?

The organization does have many problems. It is common knowledge, for example, that in the consumer cooperative system requirements for the selection and placement of personnel are not being met satisfactorily. People that do not inspire trust, even sometimes who have been convicted of embezzlement, are often assigned to positions of financial responsibility. As a result, there has been no decline in the violation of trade rules, speculation is not being eliminated, and cases of embezzlement are not so rare.

There are numerous cases of theft and fire that often hide abuses. But the chairman said nothing about all of this.

The discussion was impartial, but detailed and truly objective. V. F. Yermakov certainly had reason to criticize several departments that not only could, but should devote greater attention to the demands and needs of the cooperative members. And therefore, recognizing that the Rospotrebsoyuz cannot resolve all the problems through its own efforts alone, the commission recommended that the ASSR Councils of Ministers and executive committees of kray and oblast Councils of People's Deputies provide the necessary local assistance to cooperatives in the selection and placement of personnel, and step up the work of rural and village councils for organizing purchases of agricultural produce from the public. The recommendation was made that the RSFSR State Planning Committee devote more attention on the demands of consumer cooperatives for mobile refrigeration units, fuel and lubricants, and auxiliary materials. The decision was also made to ask the USSR State Committee for Material and Technical Supply to allocate technological equipment for converting winemaking enterprises to the production of other products.

Having outlined these and other specific measures, the commission still noted that the primary shortcoming in the current activities of the administration of Rospotrebsoyuz is stagnant thinking, the decline in control that is generated by complacency, and the resulting fear of changing one's approach to business.

It would seem that if the commission prevented Rospotrebsoyuz from taking a critical look at its work, there should be no fuss with the usual search for "objective" reasons, but it should explain and analyze the subjective elements, of which there is an excess, as it became clear.



The first point in the decision adopted by the commission recommended that the Rospotrebsoyuz board take a careful look at the existing shortcomings and take steps to eliminate them. Only a self-critical analysis of the situation that has developed in the system, the style and methods of the work of the board itself, and its departments and services, will help Rospotrebsoyuz escape from the captivity of "objective" reasons, and get out of the breach, and fulfill the task it has been assigned--to satisfy all the demands of the rural population.

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## PERSONAL INCOME AND SAVINGS

### SOCIAL SECURITY, INSURANCE BENEFITS IN USSR DETAILED

Moscow VESTNIK STATISTIKI in Russian No 9, Sep 85 pp 67-70

[Article: "Social Security and Social Insurance in the USSR"]

[Text] Citizens of the USSR have the right to maintenance in old age, in sickness, and in the event of the complete or partial disability or loss of the breadwinner. This right is guaranteed by the social insurance of workers and other employees and collective farmers; by the provision of old age pensions, disability pensions, and pensions for the loss of the breadwinner by the state or by collective farms; by providing employment for the partially disabled; by care for the elderly and disabled; and by other forms of social security. (Article 43 of the USSR Constitution).

The state social security system includes the maintenance of people who are unable to work as a result of disability or old age; grants and benefits for the temporarily disabled; child support grants; subsidies for preschool institutions and Young Pioneer camps; and maternal benefits. It is responsible for boarding facilities for the disabled and the aged, for the manufacture of prostheses, and for the care of the disabled in sanatoriums and health resorts. Social consumption funds, the substantial resources of which are expended on improving social security and social insurance, are the material basis of the social security system. For example, in 1984 more than 58 billion rubles or more than 40 percent of all social consumption funds were expended for this purpose.

The USSR has established a unified state system of pensions and social insurance for blue- and white-collar workers and collective farmers and has implemented large-scale measures to improve the plight of elderly and disabled citizens.

Social security and social insurance are continuously being improved and expanded. Between 1970 and 1984, expenditures on social security and social insurance increased 2.5-fold and comprised 10 percent of the national income.

Expenditures on Social Security and Social Insurance (billions of rubles)

1970	1975	1980	1984
22.8	34.6	45.6	58.2

Social insurance benefits for blue- and white-collar workers are derived from insurance payments from enterprises and institutions.

Between 4.4 and 14 percent of the wage fund are paid into the social insurance fund of enterprises and institutions. Collective farmers receive pensions and grants from centralized all-union social security and social insurance funds formed from payments from collective farm gross income and from state budget allocations.

A state social insurance system does not exist in many capitalist countries. Social insurance funds are formed from contributions from employers and the workers themselves. What is more, the constitutions of some capitalist countries do not even indicate that the working people are entitled to pensions. This is particularly true of the U.S. Constitution. Pension funds are formed from mandatory contributions by the working people during their entire working career, from contributions by employers, and from government allocations. Monthly withholdings from wage workers to this fund are: 5-7 percent in the USA; 6.5 percent in Great Britain; 4.7 percent in France; 4-9 percent in Japan; 6 percent in Belgium; 7.1 percent in Italy; and 9 percent in the Federal Republic of Germany. And these contributions are continuously growing. The share of the government and employers in the formation of social insurance funds is continuously declining, however, and this burden is shifted to the working people.

Many capitalist countries do not offer temporary disability compensation, pregnancy and maternity benefits, and do not have a state network of homes and boarding facilities for elderly and disabled citizens.

The socialist state's concern for the betterment of the people's welfare is also reflected in its pension policies. Pensions are guaranteed by the state without any deductions from the working people's earnings.

Old age pensions in the USSR are granted at a relatively early age: 60 years for males (who have worked 25 years); and 55 years for females (who have worked 20 years).

Pension age has been lowered by 5-10 years for blue- and white collar workers working below ground, in hot shops, or employed in other kinds of strenuous activity. The pension age is also lowered for other segments of the population. Thus, for example, mothers who have raised five or more children to the age of eight are entitled to special privileges with regard to pension age and the length of service required. There are special benefits for blue- and white-collar workers working in the Far North and in regions equated with Far Northern regions. The qualifying age for old age pensions has been lowered by 5 years for Great Patriotic War invalids.

Number of Persons Receiving Pensions (at the end of the year; millions of persons)

	1970	1975	1980	1984
All pensioners	41.3	45.2	50.2	54.6
Of which, old age pensioners	24.9	29.4	34.0	38.3
Of the total number of pensioners, collective farmer-pensioners receiving pensions under the terms of the Law on Pensions and Grants for Collective Farmers	12.1	11.9	11.2	10.3
Of which, old age pensioners	10.6	10.4	9.8	9.1

The qualifying age for old age pensions is higher in most capitalist countries than in the USSR: in Denmark--67 years; in Ireland--66; in the USA, Canada, the Netherlands, Spain, and Finland--65 years. The USA has adopted a program the calls for raising the pension age to 67 years. The pension age is the same for both men and women in most of these countries. The employment requirement for a full old age pension is 35 years for both men and women in Austria; 45 years for men and 40 years for women in Belgium; and 37.5 years for men and women in France.

Of the more than 26 million American citizens over the age of 65, 3.7 million (more than 14 percent of the population in this age group) live below the official "poverty line."

Our country has continued to improve pensions under the 11th Five-Year Plan. On 1 November 1981, the minimum size of pensions granted under the USSR law on state old age pensions, disability pensions, and pensions granted in the event of the loss of the breadwinner was raised; pensions were authorized for mothers raising five or more children to the age of 8 years and for mothers raising disabled children to the age of 8 or more years. On 1 January 1983, the old age pension was raised from 10 to 20 percent for blue- and white-collar workers working at least 25 years at/in the same enterprise, institution or organization and for mothers working at least 20 years at/in the same enterprise if they are entitled to an increase in their pension on the basis of their total length of service. As of 1 August 1983, the category of persons entitled to such an increase was expanded.

On 1 November 1985, the minimum old age pension, disability pensions, and pensions for the loss of the breadwinner will be raised for kolkhoz members; the minimum old age pension, group II disability pensions, and pensions for the loss of the breadwinner will be increased for blue- and white-collar workers whose families include one or two family members who are unable to work and whose pensions were awarded more than 10 years ago.



Our country is doing much to enable persons reaching pension age to go on working.

The national economy offers increasing opportunities for part-time work and is improving forms and conditions for employing pensioners in socially useful work, especially in the consumer service sphere.

A pension increment of 10 rubles a month is instituted for every month a pensioner works after reaching retirement age. The total increment may not exceed 40 rubles and the total pension including the increment may not exceed 150 rubles a month. The increment is paid to pensioners when they cease to work. The entitlement to a pension increment is enjoyed by pensioners working as junior service personnel and foremen (irrespective of where they work) and by brigade leaders in crop production and animal husbandry and at state agricultural enterprises.

A list of categories of persons who may receive 50, 75 or 100 percent of their old age pension, but not more than 300 rubles, including earnings, and of certain categories who may receive all of their old age pension irrespective of their earnings, has been approved.

Working Great Patriotic War invalids receiving old age pensions may receive 100% of their pensions irrespective of their place of work if their pension and earnings combined do not exceed 300 rubles a month. Measures have also been taken to encourage ex-servicemen to continue working after retiring on pension.

Pensioners working on a part-time basis enjoy the same benefits as full-time blue- and white-collar workers. The management of enterprises and organizations in the material production and consumer service sphere, with the consent of trade union committees is authorized to grant working old age pensioners leave without pay for a period up to 2 months.

A broad network of prosthetic and orthopedic enterprises supplies the population with custom made, up to date prostheses and orthopedic footwear, usually free of charge. More wheelchairs are now supplied to invalids.

A network of boarding facilities has been established for single persons, the elderly and the disabled who for some reason cannot reside with their family. At these facilities, they are maintained entirely at state expense and enjoy all types of material, personal, medical and cultural services free of charge. The cost norms for maintaining the elderly and disabled at boarding facilities have been raised in recent years.

A great deal of importance is attached to improving the material and living conditions of participants in the Great Patriotic War. In 1978, the CPSU Central Committee and the USSR Council of Ministers issued a decree "On Measures for the Further Improvement of the Material and Living Conditions of Participants in the Great Patriotic War" and in 1980 the decree "On Additional Measures to Improve the Material and Living Conditions of Participants in the Great Patriotic War."

A number of new measures have been carried out under the 11th Five-Year Plan.

In connection with the 40th anniversary of the victory of the Soviet people in the Great Patriotic War, the CPSU Central Committee and the USSR Council of Ministers issued a number of decrees instituting additional benefits for war invalids and families of deceased servicemen as of 1 May 1985.

All servicemen and civilian employees who participated in the Great Patriotic War in the army in the field and partisans are eligible for a 50 percent discount on prescription drugs and those who among them who are classified as invalids as a result of general illness, occupational injury or other reasons are entitled to receive drugs free of charge and to receive a 50 percent reduction in rent and public utilities, as was previously the case for war invalids.

Invalids are entitled to receive all types of communication services on a priority basis and to have private telephones installed in their homes on a priority basis. War invalids are entitled to have these telephones installed free of charge. Group I Great Patriotic War invalids receive in addition to their pension an additional 50 rubles a month for their care. The pension of war invalids on active military service is raised by 30 rubles a month. The pension of group II invalids in military service is raised by 20 rubles a month. Pension increments and increases in the given instances may be assigned in excess of the maximum pension.

In the next 2 years, measures will be taken to provide housing for Great Patriotic War invalids, for the families of deceased servicemen and persons equated with them under the established procedure who require better housing conditions.

Expenditures from Social Security and Insurance Funds on Grants (billions of rubles)

1970	1975	1980	1984
6.1	9.2	11.0	14.3

Provision is also made for a number of other benefits.

The funding of temporary disability grants, pregnancy and maternity grants, and grants for bearing and rearing children up to 1 year of age in the USSR is growing from year to year.

Temporary disability grants for blue- and white-collar workers who have worked 8 years have been increased. These grants are equal to 100 percent of their earnings; for length of service between 5 and 8 years--80 percent. Collective farmers receive temporary disability grants and enjoy other types of social insurance on a par with blue-collar workers.

At the present time, over 52 percent of all grants are temporary disability grants.

Social insurance for working people is sharply limited in capitalist countries. In order to qualify for a grant, a worker must have paid insurance premiums for a specified period of time. Sickness benefits are paid not starting with the first day of disability, but only after a "waiting period" lasting up to 7 days. As a rule, the grant is no more than 50-60 percent of regular earnings.

Expenditures on Temporary Disability Grants (billions of rubles)

1970	1975	1980	1984
3.9	5.2	6.7	7.5

Substantial funds are allocated for the maintenance of mothers.

Grants Paid to Mothers from the USSR State Budget and Other Sources (billions of rubles)

	1970	1975	1980	1984
Pregnancy and maternity grants, grants for bearing and rearing a child up to 1 year of age	1.0	1.4	1.6	3.7
Of which, from the state budget	0.9	1.3	1.5	3.5
Grants to mothers of many children and to single mothers from the USSR state budget	0.4	0.4	0.3	0.6
Child-support grants to low-income families (introduced on 1 November 1974)	--	1.2	1.1	1.0
Of which, from the state budget	--	0.9	0.8	0.8

Working women receive pregnancy and maternity grants equivalent to their full regular pay irrespective of length of service or trade union membership.

Large-scale measures have been carried out under the 11th Five-Year Plan to increase state aid to families with children.

Partially paid leave has been introduced thereby enabling mothers to care for children under 1 year of age; mothers are entitled to additional leave without pay to care for children up to 1.5 years of age; mothers are entitled to receive a one-time payment from the state upon bearing a child.

State grants for single mothers have been increased. Additional 3-day paid leave has been instituted for working mothers of two or more children under the age of 12 years; mothers are authorized to take up to 2 weeks additional leave without pay to care for their children with the consent of the administration.

Additional accommodations are now available in Young Pioneer camps at a reduced rate: half of them are free of charge; the remaining accommodations are available at 20 percent of cost. Pupils attending general education schools now receive textbooks free of charge. Single mothers and families with an average aggregate income less than 60 rubles a month are exempted from paying for the maintenance of their children in boarding institutions; some norms governing their maintenance have been raised.

Higher nutritional norms have been established for children in preschool institutions and new fees have been established for maintaining children in these institutions. Families with an aggregate income less than 60 rubles a month are not charged for the maintenance of their children in preschool institutions. The fee charged parents for maintaining four or more children in these institutions is reduced by 50 percent.

In regions of the Far East and Siberia, in the northern regions of the nation (in the Karelian ASSR and the Komi ASSR, Arkhangelsk and Murmansk Oblasts), and in Vologda, Novgorod and Pskov Oblasts child-support grants have been introduced for low-income families that have an average aggregate income less than 75 rubles per family member.

Measures to increase state aid to families with children have had a substantial influence on raising the birth rate throughout the nation. The number of births in both 1983 and 1984 was 5.4 million--more than in any other postwar year.

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## FOOD PROCESSING AND DISTRIBUTION

### VARIETY OF NONALCOHOLIC BEVERAGES APPEARS IN GEORGIAN SSR

Moscow PRAVDA in Russian 22 Oct 85 p 3

[Article by PRAVDA correspondent G. Lebanidze, in Tbilisi: "'Bakhamaro' for the 'Grumbles'"]

[Text] Thanks to the efforts of construction workers, architects and artists, an ancient building in the center of Tbilisi recently began to shine like new. Hardly anyone can miss the "Lagidze Beverages" building today. Here you can taste the remarkable fruit drinks and juices of Georgia.

At the building's entrance is inscribed: "Mitrofan Lagidze -- founder of the commercial manufacture of Georgian fruit drinks at the beginning of the 20th century, creator of the national nonalcoholic drinks 'Myata' [mint], 'Tarkhun,' 'Kakhuri' and others. His original trade-name syrups, 'Slivochnyy' [cream] and 'Shokoladnyy' [chocolate], are produced only in Tbilisi."

Lagidze himself may be seen standing in bronze in the courtyard of the republic's oldest food-industry enterprise -- the Tbilisi Nonalcoholic Beverages Plant. Here he worked at concocting his wonder drinks, scrupulously choosing fruits and manufacturing syrups using his own techniques and recipes. His drinks repeatedly won medals and certificates at exhibitions in Petersburg, Moscow and many other world cities.

A distinct increase in mandarin, orange and lemon harvests has meant in practise the birth of a new branch of citrus-drink and juice products. Given a good production organization, a strong raw-material base, highly qualified specialists and scientific manufacturing engineers, and, finally, its rich traditions, Georgia can become the country's main supplier of fruit drinks and juices, especially those derived from grapes, citrus fruits, the noble laurel and a number of other plants that grow here.

But there are some real obstacles along the path to developing the industry. The main one has to do with the sale of finished products. Mandarin juice, for example, has been badly packaged, basically in three-liter cans which are expensive.

We have a document signed by the GeSSR Minister of the Fruit and Vegetable Industry T. Dzhabadari: as of July 1 of the current year there was a surplus of 50 million standard cans of mandarin juice, 60 million standard cans of its

concentrate and 20 million standard cans of natural apple juice. Warehouses and production areas are crowded with finished products.

"Considering that another 100 million standard cans of mandarin and apple juice will be produced this year," he wrote, "it is easy to imagine the difficulties we can expect..."

Managers of Gruzgoskomvinprom [GeSSR State Committee of the Wine Making Industry], on the other hand, have had no problems. Their wine and cognac products have been selling, as they say, like hotcakes.

Since the well-known decree on overcoming drunkenness and alcoholism, the picture has changed sharply. National ministries of the food, fruit and vegetable industries have shown considerably more interest in how to effect a radical improvement in the condition of the republic's canning industry and the production of nonalcoholic drinks and juices.

The question of how to put them out in an artistically packaged form, which is small and convenient for the consumer, is being dealt with successfully. Of course, the fact that recently beverage prices have dropped considerably is not unimportant.

Recently in the Khelvachurskiy canning industry, which is furnished with modern equipment, a new line has been commissioned for producing 3.5 million standard cans of mandarin, orange and lemon juice. They are packaged in colorful half-liter containers.

Georgian specialists have planned and are conducting a search for local fruit, berry and vegetable raw materials. As a result, the output of the very popular drinks called "Tarkhun," "Feykhoa," "Tkemalevyy," "Myata," "Mziuri" and others, is growing considerably. New drinks -- "Fazisi," "Egrisi," "Darial," "Greypfrutovyy" [grapefruit] and "Leberde" -- have appeared on store shelves.

Using Lagidze's recipes, Tbilfruktvod Association enterprises have restored production of the hot drinks called "Glintveyn" [mulled wine], "Vishnevyy grog" [cherry grog], "Ayva" [quince] and "Kofe" [coffee]. With the beginning of cold winter weather these are finding their way into thermos containers in Tbilisi stores.

Republic specialists, in creative collaboration with workers of the USSR Academy of Sciences Biochemistry Institute imeni A. N. Bakh, the All-Union Scientific-Research Institute for the Tea Industry and the GeSSR Academy of Sciences Institute of Plant Biochemistry, have demonstrated the merits of producing concentrates from lower quality tea products for manufacturing nonalcoholic tonic beverages like "Bakhmaro," "Senaki" and others, which have won wide recognition.

Recipes based on black and green tea concentrates in combination with medicinal plants, for which is a very rich raw-material base in the republic, have been developed for new tonic drinks called "Kolkhuri," "Kekhura," "Aradu" and "Tbilisoba."

"It's been determined that beverages made from tea favorably influence a

person's general condition and increase his ability to work," says doctor of medical sciences, Professor S. Kobaladze.

But a lack of coordination between raw materials and enterprise capacities interferes in this matter. Here the question arises about why republic and national food-industry ministries abandoned construction of an enterprise -- already planned and designed to be built on the territory of the Babusherskiy Nonalcoholic Beverages Plant -- for the no-waste processing of 10,000 tons of citrus fruit to be made into concentrates. Its capacities were "redirected" to the GeSSR Ministry of the Fruit and Vegetable Industry. This same ministry and the USSR Ministry of the Fruit and Vegetable Industry are slowly carrying out the renovation and technical re-equipping of enterprises for juice production. The trade network is developing poorly, as is the bottling of fruit beverages in small containers of up to 0.33 liter. The production of infusions and compounds for delivery outside the republic is not expanding.

It is no secret that under the new circumstances the Georgian wine growing industry -- one of the leading sectors of the republic's economy -- has incurred considerable losses. However, the cut in production by almost 50 percent did not take it unawares. Seven years ago Georgian specialists had already begun to conduct experiments to develop nonalcoholic wine. And just recently the nonalcoholic wines "Gvinsa" and "Armazi" appeared on store shelves.

"The drink we've obtained is a very useful dietetic product," says Professor V. Aladashvili, one of its creators and a doctor of medical sciences. "The drink is distinguished by its high flavor qualities and its bracing effect. It is a very effective digestive aid."

"And what about the production output?" I asked Gruzgoskomvinprom Chairman G. Loladze.

"The beverages are already being produced in small quantities at an experimental section of the Mtskhetskiy Wine Distillery," he said. "The facility has already begun operation here and soon will be turning out the first nonalcoholic wine. The changeover of our enterprises to such kinds of production, low-alcohol natural wine and sparkling wine (like champagne), and also Georgian national sweets made of grape juice (churchkhela, pelamushi and others), requires new, more complex manufacturing methods and appropriate equipment."

Here, it seems to me, USSR Gosplan [State Planning Committee] and USSR Minpishcheprom [Ministry of the Food Industry] should speak out in order that Gruzgoskomvinprom's needs for new equipment -- in particular lines for bottling nonalcoholic drinks, lines for hot bottling, spray driers and much else -- may be satisfied with maximum efficiency.

It goes without saying that food and processing industry workers of Georgia have many concerns today. It is important not to permit any losses of grapes and citrus fruits. The whole harvest must be delivered to our tables, either fresh or in the form of drinks and juices.

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FOOD PROCESSING AND DISTRIBUTION

CARTOON ILLUSTRATES 'POSITIVE' SIDE TO POOR PACKAGING

Moscow TRUD in Russian 16 Oct 85 p 4

[Cartoon]



--The advantages of a bad container is that you can't make off with the whole box.

Drawing by I. Chelmodeyev

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